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Letter dated 12 October 2001 from the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola addressed to the President of the Security Council

I have the honour to transmit herewith the supplementary report of the Monitoring Mechanism on Sanctions against UNITA in accordance with paragraph 6 of Security Council resolution 1348 (2001). The report should be circulated for the information of the Members of the United Nations. Consideration of the report in the Committee established pursuant to resolution 864 (1993) is beginning, after which the Committee will officially present the report to the Security Council.

(*Signed*) Richard **Ryan**
Chairman
Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola

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Annex

Letter dated 8 October 2001 from the Chairman of the Monitoring Mechanism on Sanctions against UNITA to the Chairman of the Committee established pursuant to resolution 864 (1993)

On behalf of the members of the Monitoring Mechanism on Sanctions against UNITA, I have the honour to enclose the Mechanism's supplementary report in accordance with paragraph 4 of Security Council resolution 1348 (2001).

(*Signed*) Juan **Larrain**
Chairman, Monitoring Mechanism
on Sanctions against UNITA

Enclosure

Supplementary report of the Monitoring Mechanism on Sanctions against UNITA

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I. Introduction

1. This supplement to the previous report of the Monitoring Mechanism on Sanctions against UNITA (S/2001/363) is being submitted in accordance with paragraph 4 of resolution 1348 (2001) of 23 April 2001. The members of the Mechanism are Ambassador Juan Larrain (Chile), Chairman; Ambassador Lena Sundh (Sweden); Ms. Christine Gordon (United Kingdom of Great Britain and Northern Ireland); Mr. Ismaela Seck (Senegal); and Mr. Wilson Kalumba (Zambia), who was appointed on 9 July 2001 to replace the outgoing member, Mr. James Manzou (Zimbabwe).

2. Since its establishment, the Monitoring Mechanism has been charged with the responsibility of collecting information and investigating leads relating to violations of pertinent sanctions resolutions "with a view to improving the implementation of the measures imposed against UNITA". During the current mandate period, the Mechanism has pursued allegations of sanctions violations, and has continued to examine the role of criminal elements instrumental to the capacity of UNITA to sustain its guerrilla war. In addition, the Mechanism has been able to expand its base of inquiry by drawing upon the expertise of professional asset tracers to try to identify the financial resources held by UNITA. Throughout this period, the Mechanism has continued to conduct its investigations using the strictest evidentiary standards attainable.

3. The Mechanism visited the following countries for consultations: Angola, Belgium, Botswana, Burkina Faso, Côte d'Ivoire, France, Kenya, Portugal, South Africa, the Sudan, the United Republic of Tanzania and Zambia. In addition, correspondence has been addressed to a number of Member States seeking information or clarification on allegations of sanctions violations. While some countries have responded promptly to the Mechanism's enquiries, a number of replies remain outstanding.

4. The Mechanism would like to express its appreciation for the cooperation received from a number of intergovernmental organizations, in particular, Interpol, the Southern African Development Community (SADC), the Wassenaar Arrangement, and the World Customs Organization, and to the United Nations Development Programme, the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Office in Angola.

* * *

5. For several decades, the Angolan people have endured vicious cycles of war, they have been deceived by failed discussions of peace, and they have suffered unconscionable terrorist attacks against innocent people. Thousands of civilians have died, hundreds of thousands have been maimed and millions displaced, and the enormous potential of a nation has been unalterably disrupted.

6. For more than a decade, the Security Council has been committed to restoring peace to Angola. From 1993 to 1998, it imposed a series of sanctions on UNITA ranging from arms embargoes to bans on the sale of diamonds and the travel of UNITA officials, to the closure of UNITA offices and the freezing of their assets. Yet some Governments and entrenched criminal elements violated those resolutions with impunity. Angolans died. UNITA was emboldened, its war machinery was

strengthened, and the rebel group continued to resort to armed conflict rather than returning to the peace process.

7. In 1999, the Security Council recognized that the imposition of sanctions alone, without the capacity to identify violators and monitor compliance, was insufficient. Through the creation first of the Panel of Experts, and then the establishment of the Monitoring Mechanism on Sanctions against UNITA, the Council has demonstrated that the heightened and sustained vigilance that such bodies bring to this issue can result not only in exposing sanctions violators but also in deterring others from committing further infractions. The Security Council imposed sanctions against UNITA, not as an instrument of war but as a vehicle of peace, to persuade the rebels to resume good faith participation in the process of national reconciliation. Sanctions resolutions must never again be infringed with such arrogance. At this critical juncture in the Angolan political process, the international community's commitment to peace through heightened vigilance cannot weaken.

* * *

8. UNITA has increased its terrorist attacks on innocent civilians. It has attacked schools, buses and trains. It has shot at people fleeing to escape from the flames of a burning explosion. It has shot at World Food Programme planes carrying not weapons but desperately needed food and humanitarian supplies. Sadly, such instances are far too numerous to cite here.

9. During the last six-month period UNITA has pursued its military activities with attacks in several provinces. The brutal massacre in August 2001 of over 250 people travelling on one of the few remaining trains in the country is a glaring example of how civilians are being targeted. UNITA does not hesitate to use terror, including murder and abduction of civilians, to pursue its own political agenda.

10. The activities of UNITA serve multiple purposes. Through its attacks, the organization aims to show the world that it is to be reckoned with. The attacks are also aimed at forcing the Angolan armed forces to deploy more units in Government-controlled areas, thus diverting attention away from what UNITA considers vital, such as protecting its leadership in the Province of Moxico (western Angola), and important UNITA bases in other provinces. The attacks are also invaluable opportunities for obtaining supplies.

11. An analysis of the military situation is important for assessing the extent to which arms and ammunition continue to reach UNITA. The information available to the Mechanism tends to show that such deliveries have drastically decreased. The loss of control over airstrips has made flights much more dangerous for any carrier. The Mechanism's active monitoring of the arms embargo has also had a deterrent effect. Nevertheless, there are indications that some businessmen are still willing to take the risk if the payoff is sufficient.

12. Cross-border supplies still reach UNITA from the Democratic Republic of the Congo. The Mechanism also received repeated allegations that the country remains a major transit country for UNITA diamonds.

13. UNITA has increased its political activity both outside and inside Angola. It has created organizations under the guise of non-governmental organizations, although they are used primarily as channels for UNITA propaganda. During the

past six months, UNITA "representatives" in Europe and the United States of America have been much more active. This supports earlier statements made by the Mechanism to the effect that UNITA still maintains representations in several countries although its formal representations have officially been closed. UNITA uses its propaganda to justify its continuing military activities, while at the same time arguing for the lifting of Security Council sanctions.

14. Since the beginning of its work, the Mechanism has stressed the importance of maintaining an accurate and up-to-date list of senior UNITA officials and their adult family members subject to sanctions. The Mechanism welcomes the publication of the list of senior UNITA officials. It is an indispensable instrument for enforcing compliance with the sanctions on travel and representation. The Mechanism hopes that the list will be periodically revised and updated.

II. UNITA: an overview

A. The leadership

15. UNITA is an organization very much dominated by its leader, Jonas Savimbi, who is both its President and the supreme commander of its armed forces, FALA (Forças Armadas para a Liberaçao de Angola). The charisma of Savimbi has been recognized by many, as have his ruthlessness and his thirst for power. Over the years, the leadership of UNITA has gone through many changes, but its President has remained the same. The style and thinking of Savimbi have been described to the Mechanism as that of an individual who mistrusts everyone, who doesn't want his collaborators to challenge his ideas, who is fixed in his thinking and who has never been able to abandon armed conflict. It is also underlined that Savimbi never allows anybody else to become too powerful or influential. Any other member of the leadership is able to exert some power only for as long as he maintains the confidence of the leader and does not get so powerful or influential that he becomes a potential threat. Savimbi's distrust and fear of any challenge to his own authority have led to decisions to assassinate members of his own leadership.

16. A first generation of leaders, which included several of its founders, dominated the organization until the Alvor Agreement of 1975. The former Secretary-General of UNITA, Zau Puna, is in this group, as are Jorge Valentim, Tony Fernandez and Jose Chiwale. In 1974 a younger, better educated, group surfaced which gradually reached the highest positions in all areas of the organization. This second generation of leaders, many of whom had international experience, dominated the organization from 1976 to 1992. The second generation's tendency to question Savimbi's actions and decisions created frictions between him and several members of the group, which, as mentioned above, in certain cases resulted in assassinations. Others left and formed new political parties. Many from the second generation can today in fact be found in Luanda as UNITA parliamentarians who have denounced the use of armed force, or who have been integrated into the Angolan armed forces. This is also true for several persons from the first generation such as Zau Puna, Tony Fernandez and Jorge Valentim.

17. The third generation UNITA leaders are sometimes referred to as the children of UNITA, brought up within the organization and educated inside Angola as well as abroad on UNITA scholarships. This group, less independent and maybe also more

loyal to the organization, is the one that, together with certain from the first generation, provides the leaders of today's UNITA. Several of the external "representatives" such as Azevedo Kanganje, Adélio Chitekulo, Jorge Sanguende, Adalberto da Costa Jr. and Jardo Muekalia belong to this group, as does General Elain Malungo Pedro "Kalias" and several other military leaders in the interior.

18. In spite of committees formed, administrative structures put in place etc., it is often underlined that there is no horizontal coordination within UNITA. The organization is built upon a classical guerrilla cell structure, which means that its members, and leadership, know only what they need to know to be able to carry out their tasks. All issues that need coordination between different parts of the structures are referred to Savimbi for him to act upon and, if necessary, channel to another part of the organization.

19. There is ample evidence that the UNITA leadership is currently concentrated in the Province of Moxico. For security reasons and because of the military offensive of the government troops, the various organizational units are not kept together. Jonas Savimbi is said to move with 14 or 15 highly trained military guards and a male nurse. The Vice-President, Antonio Dembo; the Secretary-General, Lucas Paulo Lukamba Gato; the Secretary for Foreign Affairs, Alcides Sakala; the Chief of Staff, General Geraldo Abreu "Kamorteiro"; and General Esteves "Kamy" Pena are also among the people who fled the UNITA strongholds late in 1999 and are now located in Moxico Province. All are included in the Security Council's list of senior UNITA officials who are subject to sanctions.

B. Internal structures

20. Both sources within UNITA and external analysts agree that the UNITA organization inside Angola suffered severely after the loss late in 1999 of the remaining UNITA strongholds, in particular Andulo. Only in May 2000 had the organization recovered slightly and a leadership structure been reinstated. The remaining structures of UNITA within Angola are military and the fixed bases have become fewer and fewer. Nothing remains in the country that can be compared to Jamba during the 1980s, or to Andulo and Bailundo during the implementation of the Lusaka Protocol.

21. Although UNITA propaganda, spread mainly through its external structures, continues to give the impression that the organization of today is not very different from what it was at the time of the Lusaka process, all sources consulted by the Mechanism, including diplomats, military attachés, humanitarian personnel, representatives of the Church and non-governmental organizations with a presence in the interior of the country, are in agreement that, with possibly a few exceptions, there is no longer any civilian/administrative UNITA organization of importance in the country. Several interviews with civilians in Luanda and in the Mayukwayukwa refugee camp in Zambia, following the UNITA displacement from Andulo and Bailundo into the Province of Moxico, show that people have to fend for themselves to survive. There is no food available from the organization. Only those with more senior connections seem to occasionally have had access to some medicine. There are no schools.

22. According to its web site, kwacha.org, as monitored in July 2001, UNITA has set up four major commissions whose work is coordinated by a General Political Commission:

- The first Political Commission is charged with political affairs, foreign relations and information. This commission, besides drawing up political strategies, is the main organ of external policy. It maintains contact with all party representatives and orientates the diplomatic and informative action of the party. This commission is chaired by the UNITA Vice-President Antonio Dembo, with Alcides Sakala, who retains the post of Secretary for Foreign Affairs of the party, as Deputy.
- The second Political/Administrative Commission is charged with establishing and executing strategies for administering areas under UNITA control, production and financial management and the training and posting of party cadres and looking after their material well-being. This commission is chaired by the party Secretary-General, Lucas Paulo Lukamba Gato.
- The third Political/Juridical Commission. The mandate of this commission is to reorganize all the party's security services, administer justice in areas under UNITA control and lead the party's disciplinary committee. This commission is chaired by Celestino Mutuyakevela Kapapelo, a lawyer.
- The fourth Political/Military Commission. Charged with coordinating all military/political issues, this commission is chaired by the Chief of Staff, General Geraldo Abreu "Kamorteiro".
- The General Political Commission. This commission, which is chaired by the party President, Jonas Savimbi, coordinates the work of the other four commissions.

C. Military structures

23. The military organization includes the offices of the Chief of Staff, General Geraldo Abreu "Kamorteiro", and of the Chief of Operations, General Abilio Kamalata "Numa". The general staff includes a telecommunications unit (DIVITAC) headed by Brigadier General Domingos Sopite, a logistics unit, and a unit for political coordination (of UNITA armed forces) headed by General Mbula Matady. Geographically, the country is divided into theatres of operation under operational commands, within which also function the remaining other activities, including internal security and certain aspects of political propaganda.

24. Each operational command is led by a military commander. The leadership structure also includes a chief of operations and a political commissioner. The latter's task is to give political guidance to the UNITA troops, not to civilians. The operational command also has different support divisions at its disposal, for logistics, communications and intelligence. There is also a representative of the Brigada de Informaçao Geral, the internal security structure and a regional secretary, responsible for mobilization of civilians. In areas where there is exploration for diamonds, a representative of the UNITA Ministry of Natural Resources, responsible for all diamond sales, may also be linked to the operational command.

25. To ensure contact between the command structures and the operational military units inside Angola, UNITA still has available a good radio network and a capacity to send and receive messages in code. Although the communications structures were severely damaged by the capture of Andulo and Bailundo by the Angolan armed forces, the telecommunications unit managed to reorganize the system by using and repairing already existing material. Before the fall of Andulo and Bailundo, DIVITAC comprised almost 4,000 men countrywide, some 800 of whom worked at the two command bases Andulo and Bailundo. DIVITAC is divided into a radio communications unit and a computer unit. The most common radios in use are of type HGF Racal 5 — 30, powered by solar batteries. Each operational command will have at least one radio with radio operators.

D. Internal security and control

26. The UNITA organ charged with internal security and control of its own officials and with intelligence gathering and analyses is the Brigada de Informaçao Geral (BIG). BIG is represented in the operational commands and it has representatives among UNITA "communities" abroad. Its present strength and effectiveness are difficult to assess. BIG consists of three divisions, one for internal security, a second for counter-intelligence and a third for intelligence analysis. In addition, agents recruited from within other UNITA structures worked clandestinely, reporting on their own colleagues.

27. A parallel organization to BIG, but separate, is the Service for Clandestine Intelligence, created to work on political mobilization, information-gathering and urban guerrilla organization. This organ, headed by General Chissende "Buffalo Bill", was created primarily to operate in urban areas and the information gathered concerns mainly the Government and MPLA. The recent sabotage of an electrical relay station outside Luanda is an indication that the work of *clandestinidade* and BIG deserves special attention. A sabotage of this nature carried out in the Luanda area is likely to be the result of the action of the clandestine services.

E. Presence in refugee camps

28. Owing to the military situation inside Angola, many members of the UNITA leadership are now in the border province of Moxico. Since the second half of 2000, large groups of UNITA members and civilians have entered Zambia, as a consequence of the successful offensive of the Angolan armed forces. A previous wave of refugees included UNITA members and populations who were forced to flee when the UNITA strongholds of Andulo, Bailundo, Mungo and Nharea fell into the hands of the Government of Angola in September/October 1999.

29. The Mechanism visited some of the refugee camps in Zambia to examine reports that UNITA political structures had been transferred to the camps. The Mechanism also carried out interviews in Luanda with several senior ex-officials of UNITA, with wives and adult children of senior officials, and with others who claimed they had been forced to join UNITA-controlled groups in Moxico.

30. From interviews and discussions with several refugees, the majority of them women, in Mayukwayukwa, Zambia, it was learned that the flight from Andulo on 19 October 1999 was very hasty, and that the population remained organized by

UNITA, even when fleeing government forces: the civilians were organized into groups of approximately 1,500 to move to Moxico Province.

31. Initially, only the elderly, the injured and children were allowed to cross the Zambian border after arrival in Moxico, and to present themselves as refugees. One woman belonging to this group who was interviewed said that she had crossed in August 2000. Early in 2001, the Mechanism was informed, the wives and children of senior UNITA officials were authorized to cross the border. One woman who had chosen not to cross the border confirmed this.

32. The spouses of senior UNITA military personnel and activists, including those of General "Kamy" Pena, of the deceased General "Ben Ben" Pena, of General Aleluia, of special Ambassador Helder "Boris" Mundombe, and of telecommunications expert Chidinho Gato were given permission to go to the camps, where their presence has been confirmed. The head of the UNITA Women's League, Odeth Chilala, has also been identified there. They began arriving in the camps from March/April 2001.

33. The Mechanism has already expressed concern at the situation in the refugee camp of Nangweshi, Zambia, which was created to provide shelter for the refugees who arrived from Jamba, a major UNITA stronghold. Jamba was highly organized and controlled by the organization. Members were evacuated from there by UNITA at the end of 1999, prior to the Government's assault on the stronghold. Some left for Namibia, but the majority crossed the border into Zambia, where they were received at Nangweshi. Many from the political leadership of Jamba moved to this camp, including the former chief of police, who was later elected the chief representative of the refugees in the camp. When interviewed by the Mechanism, he said that he was a teacher.

34. The Mechanism remains concerned that UNITA structures may continue to exist in Nangweshi. There are serious indications of the presence of representatives of BIG in the camp. One family told the Mechanism that they had fled the camp for fear that the husband would be abducted to Angola by representatives of BIG. The Mechanism was able to interview men in the camp who claimed they had entered after a long period in the bush and who said they were nurses. The Mechanism noted they were well dressed and in very good physical condition, not like refugees from the bush.

35. The Mechanism is also concerned that Nangweshi may be used as a logistic base by UNITA. The Mechanism believes that ideally the camp should be moved further away from the border. Should that not be possible, another option would be to ensure that the refugee leadership does not include anyone who had leading functions in Jamba, or who could build up UNITA control over the camp.

36. The Mechanism has alerted the Government of Zambia and UNHCR to its findings and concerns regarding the refugee camps and the likelihood that senior UNITA officials continue to cross the border into Zambia, and has received assurances of their readiness to deal with the problem.

37. The Mechanism has also received, from several sources, allegations that UNITA uses Zambia as a base for supplies. The Mechanism is in the process of investigating a suspected business deal made or planned between a Zambian businessman and a UNITA colonel, on the basis of an exchange of letters between the two. In one of those letters, the businessman asks for payment in diamonds. The

Mechanism is also informed, by a person who spent time in Rivungo last year, that a "white businessman" held talks with representatives of BIG in Rivungo in November 2000 about, inter alia, UNITA procurement of radio equipment.

F. External structures

38. The external structure of UNITA has been described in previous reports as has its role within the organization. What was reported earlier, for the most part, remains valid today.

39. The UNITA external representatives perform different tasks. Broadly, these tasks can be divided into propaganda and representation, and logistical support. The location of the UNITA external organization remains basically unaltered compared to six months ago.

40. Communication between the internal and external structures of UNITA is maintained through satellite phones, for the transmission of calls, faxes and Internet. The direct line to Jonas Savimbi is for security reasons only open at specified hours. The relevant members of the external structures are informed via the Internet when calls can be made. The external structures have been told, also for security reasons, that when asked to comment or report to the interior this must be done within a fairly short time after the instruction has been received.

G. Dissemination of information

41. During the six-month period now being assessed, UNITA has intensified its political campaign. Two themes have dominated the agenda, namely, the need for dialogue between UNITA and the Government of Angola, and the necessity to lift the sanctions against UNITA.

42. The Mechanism believes that it is necessary to look at UNITA information and propaganda from the point of view of the support it gives to the war and terror committed by UNITA inside Angola. The statement by the UNITA "representative" in Portugal, Carlos Morgado, after the massacre of the train passengers at Zanza Itombe, justifying the attack by saying that the train carried arms, is just one example of this.

43. Even more serious is the fact that the propaganda aims at closing all opportunities for peace in Angola other than the one that will best serve the purpose of the armed UNITA. It chooses to disregard the fact that there is an elected parliament in Angola in which UNITA has 70 seats. The UNITA external organization, many of whose members are living well abroad, disseminates propaganda which demeans those members of UNITA that chose not to continue the armed struggle but who stayed in, or returned to, Luanda to participate in the political process.

H. Senior UNITA officials and members of their families subject to sanctions against travel and residence

44. As mentioned in the introduction, the United Nations list of senior UNITA officials is an important tool in the efforts to implement the sanctions. That list forms the basis for Government action to hinder movement over the borders by UNITA officials and it is also an important means to decide upon the freezing of bank accounts.

Security Council resolution 1127 (1997) and the Schengen Convention

45. The Schengen Convention has been a matter of concern for the Mechanism because of the facility it provides for the free movement of persons through the participating countries. Its apparent incompatibility with the resolutions of the Security Council that restrict the travel of UNITA officials is something that has to be addressed. Those resolutions, which were adopted under the Charter of the United Nations and according to international law, take precedence over regional arrangements and national laws. The Mechanism holds the view that the authorities of the countries where UNITA officials subject to the restrictions provided for in resolution 1127 (1997) reside should take the necessary steps to ensure effective implementation.

I. Current UNITA representation abroad

46. The most important UNITA representatives are found in Belgium, Burkina Faso, France, Ireland, Italy, Portugal, Switzerland, Togo and the United States of America.

47. The Mechanism continued to receive serious and persistent allegations that **Burkina Faso** is the place of residence and/or is being used as a base by senior UNITA officials for their dealings and contacts. Among those said to reside in Burkina Faso or operate from there are Marcial Moises Dachala "Karrica", Helder "Boris" Mundombe and Julien Kanyaluoko, all of whom are considered very important in the UNITA external structures.

48. On a recent visit to Ouagadougou, the Mechanism raised this issue with the authorities and gave them all the details available regarding names of UNITA officials, their meetings, trips and alleged high-level contacts inside the country. The authorities took note and promised to investigate these allegations, in the light of the administrative measures taken by the Government to comply with the sanctions. Obviously, these repeated allegations, received from numerous sources, diminish the value of those measures if nothing positive is done to make them effective.

49. The Mechanism expects that the Government of Burkina Faso will take these allegations seriously, and will take all the steps necessary to demonstrate that it is really complying with the sanctions. In this regard, the example given by other countries of the region is worth following. The Mechanism was also informed that a meeting at the technical level was held between the security services of Angola and Burkina Faso.

50. **Togo** was for some years one of the most important bases for UNITA. Its importance to UNITA has now decreased as a result of international pressure.

51. Another positive development in West Africa is the decision of the current Government of **Côte d'Ivoire** to cancel the passports issued to UNITA officials and family members. The Government has also taken measures to try to ensure that only those UNITA officials that refrain from working actively for UNITA will be allowed to remain in the country. This is a good step, which however must be actively pursued and controlled.

52. The Mechanism was informed that two of Savimbi's sons, Araujo Tao Sakaita and Pedro Sakaita, have applied for refugee status in Benin. The Mechanism has alerted UNHCR that both individuals are on the list of senior UNITA officials. Araujo Tao Sakaita has also obtained a passport from **Ghana**, under a false name. The Government of Ghana informed the Mechanism that it is conducting an investigation to clarify this case fully.

53. UNITA has always viewed **South Africa** as an important country. In this regard, the Mechanism received information that UNITA officials Mines Tadeu and Milu Tonja are residing there. The South African authorities, at the request of the Mechanism, have indicated that "according to the records of the Department of Home Affairs, neither of the individuals has been granted refugee status at any stage nor is there any record of their presence in South Africa". Nevertheless, considering the importance of these persons for UNITA, the Mechanism will remain seized of the matter.

54. Although Jardo Muekalia is considered to be the most prominent UNITA official in the **United States of America**, his failure to influence the new administration to change its views regarding UNITA must be seen as a serious blow by the rebels.

Europe

55. **Portugal** continues to be the most important UNITA base in Europe, and its propaganda machinery operates from there. UNITA "representatives" Carlos Morgado, Joffre Justino, Rui Oliveira and others, perform their political activities openly and without any impediment, using front institutions, created since the official representations were reportedly closed. The Mechanism has raised this issue with the Portuguese authorities on several occasions but nothing has been done to put an end to a situation that violates the spirit of the sanctions.

56. Owing to their prominence in the UNITA hierarchy, the presence in **France** of Isaias Samakuva and four of Jonas Savimbi's sons is also a matter of concern. In the case of Samakuva, the authorities have frozen his bank account. Savimbi's sons entered France in 1994 with student visas and Ivorian service passports that were later cancelled. At present, two of them remain in the country illegally and the other two have requested political asylum, since their visas were not renewed because they are not in possession of a valid identification document.

57. **Belgium** is also an important base for UNITA because of the activities of another front institution, the Casa de Angola, and the presence there of a very prominent figure in its external structures, Azevedo de Oliveira Kanganje. He has been under close scrutiny for a long time for his political activities and now also for his possible involvement in the handling of UNITA assets.

58. The **Casa de Angola** is a registered not-for-profit organization. Although the "representative" of UNITA in Belgium, Azevedo Kanganje, is the honorary

president of Casa de Angola, he is the one in charge. Two other people included in the list of senior UNITA officials, Rogerio Teca and Manuel Zinga, are members of the administrative council of Casa de Angola. Casa de Angola shares office space with another non-governmental organization, Solidarité. Among the founders of Solidarité are Rosa Simoes, wife of Alcides Sakala, the UNITA "Secretary for Foreign Affairs", and Engracia Pedro, who also is a member of the administrative council of Casa de Angola.

59. The Mechanism considers Casa de Angola to be a front organization, and believes that it should be treated as the political representation of UNITA in Belgium.

60. Another important UNITA figure is Leon Dias in **Ireland**. His activities are also being closely followed by the Mechanism because he is considered to be instrumental for UNITA satellite and Internet communications.

61. Adalberto da Costa Jr. in **Italy** and João Vahekeni in **Switzerland** continue to operate as active and prominent UNITA "representatives", especially in the propaganda field. The Mechanism has conveyed its concern about their activities to the authorities of the two countries.

62. The **Commission for Justice, Peace and Reconciliation in Angola (CJPRA)** is a key organization that involves several of the UNITA "representatives" and other senior officials in Europe. It has its base in Lisbon, in the offices of Joffre Justino, and uses the same fax and telephone numbers as several of Justino's companies. The Mechanism has evidence, including statements on its web site, that links the Commission, through Joffre Justino in Portugal, Adalberto da Costa Jr. in Italy, João Vahekeni, in Switzerland and Leon Dias in Ireland, to UNITA.

63. The **Committee for Peace and Development in Angola (CPDA)** purports to have international representation, but the Mechanism has found that it is in fact a web-based "virtual organization", one of whose objectives is to disseminate information from the "UNITA News and Review" (see para. 66 below). The contacts are Joffre Justino, Adalberto da Costa Jr. and Leon Dias.

J. Use of electronic technology — Internet and email

64. Electronic technology is becoming an increasingly important asset for UNITA in its propaganda campaign. Use and abuse of Internet web sites and email by UNITA enables the rebels to maintain an even higher profile than the group had prior to the prohibition of its representational activities pursuant to Security Council resolution 1127 (1997). Rather than advancing the notion of national dialogue or the objectives of peace, two of the organization's most well-known and linked web sites, kwacha.org and kwacha.com, are explicitly used as vehicles for summarizing the rebels' guerrilla achievements, with descriptions of the number of soldiers killed and targets destroyed. The "information" contained in box 1 reflects only a very small portion of material that is updated several times a week, and signed by the UNITA Chief of Staff, General Geraldo Abreu "Kamorteiro", with the closing phrase "Country or death ... we will be victorious".

65. The importance that UNITA attaches to the Internet cannot be underestimated. The technology is clearly viewed as one of the group's most powerful means of sustaining itself and fighting against the continuation of Security Council sanctions.

In material posted to the Internet on 11 July 2001, the rebels stated that "one of the priority roles of the external mission is the diplomatic struggle for the total or partial lifting of sanctions imposed on UNITA members". In a press release posted to kwacha.org on 6 June 2001, the rebels defiantly boast to the world about their military achievements, and also announce that the secretariat of the UNITA Foreign and External Mission is located at Lisbon.

Box 1

Use of the Internet by UNITA

Excerpts from kwacha.org

"Country or death ... we will be victorious"

UNITA Chief of Staff, General Geraldo Abreu "Kamorteiro"

UNITA News and Review. Editor: Dennis Kawindima Njamba

24 September 2001, Edition 17

"UNITA deeply deplores the fact that the United Nations Security Council ... continues to violate the most elementary principle of law ... It must be made clear that UNITA will never surrender to the Luanda Government."

10 September 2001, Edition 15. UNITA's justification for attacking a train on 12 August in which more than 250 civilians were killed

"UNITA attacked the train after thorough military intelligence ... The leadership of the UNITA armed forces maintain the truth and have nothing to retract. United Nations Security Council resolutions or those of the European Union are not stronger than the truth itself."

30 June 2001, Edition 5. Slogans adopted at UNITA's sixteenth annual Party Conference on its internal and external policy:

"Patriotism demands sacrifice"
"Discipline demands compliance"
"The Motherland or Death, United We Shall Win!"

Press release, Secretariat of Foreign Affairs, External Mission of UNITA, Lisbon, 1 June 2001

"The MPLA government has been facing successive military defeats and for some time has chosen to hide them behind a shocking and slanderous propaganda campaign against UNITA".

Summaries of UNITA guerrilla attacks which appear on the Internet

Province of Bie, 6 June 2001

11 MPLA soldiers and 4 civil defence men were killed; 18 arms, including 10 AK 47s; 3 PKM, 2 RPG-7; 1 60m/m mortar; 1 MACF Complex (wire-guided antitank missile); 1 GP-25; and 9,354 munitions for AK; 4,550 munitions for SGM; 40 grenades for 82m/m mortars; 32 anti-personnel mines were captured.

Province of Uige, 5 June 2001

9 MPLA troops and 11 national policemen were killed;
20 arms of diverse calibres; 15,000 munitions for AK 47; 3,220 munitions for PKM;
30 bombs for 82 m/m mortars; 61 munitions for RPG-7 and 860 military uniforms were captured.

The enemy is being pursued in the direction of the city

from http://members.nbci.com/XMCM/paz_angola/products.htm

"Adalberto da Costa Jr., Joffre Justino, Leon Dias

Who are we? We are Militants of UNITA ...

from http://members.nbci.com/XMCM/copazdangola/julho_2001.html

Contact in Switzerland: João Vahekeni, UNITA Bureau in Europe. Tel: 41 21 944-2121

66. Kwacha.org has begun to produce a weekly publication entitled "UNITA News and Review", edited by Dennis Kawindima Njamba. This new electronic issuance provides UNITA with still another global platform for the rebels to express political diatribes against the Security Council and its efforts to restore the peace process in war-torn Angola.

67. Email is another tool that UNITA has been able to exploit. Through this medium, it has been able to target a wide spectrum of decision makers on a daily basis, including high government officials, parliamentarians and members of the media such as the BBC (British Broadcasting Corporation), RFI (Radio France internationale), RPI (Radio Portuguesa International), Canal Africa and the Voice of America. Joffre Justino is one of the most active users of email for the dissemination of UNITA propaganda; using jj@justino.jazznet.pt (administered from Portugal) he disseminates the rebels' propaganda and posts messages justifying its terrorist activities. Suffice it to say that by utilizing such electronic technologies, UNITA has been able to increase its representational capacity on a global scale, far beyond what it was able to maintain by simply operating from a physical office located in one city or another.

Who runs the UNITA web sites?

68. Web sites cannot operate without "web hosts". A "web host" is essentially the individual responsible for running and maintaining the site. Kwacha.org is administered by Colm Croasdell. Kwacha.com is administered by Leon Dias. Both sites operate from Ireland. Some of the email addresses of Joffre Justino and a number of other important UNITA officials, including one belonging to Jonas Savimbi, are administered from companies operating in Portugal. Although these facts have been brought to the attention of the Irish and Portuguese authorities, neither Government has succeeded in closing the sites.

What can be done?

69. The Mechanism has reviewed the contractual terms and conditions for web site use of several major communication systems providers. Notable among those terms and conditions were the stipulations contained in the Fujitsu Agreement (see box 2) which is based on United States legislation. By defining a web site as an asset, the United States Departments of Treasury and Commerce have issued specific prohibitions making the exportation or use of such technologies to any country or entity against which the United States has imposed sanctions, including UNITA, a criminal offence.

Box 2
Fujitsu conditions for web site use

Export of information

Technical data and software from this site is further subject to United States export controls.

No technical data and software from this site may be downloaded or otherwise exported or re-exported into ... or to a national resident of ... and the National Union for the Total Independence of Angola (UNITA) ...

By downloading or using any technical data or software, you represent that you are not located in, under the control of, or national or resident of ...

III. Violations of arms sanctions

70. The Monitoring Mechanism, in its previous report (S/2001/363), outlined a range of initiatives undertaken in order to collect crucial information regarding the brokering companies that have played a vital role in UNITA arms procurement. Those initiatives were aimed at ensuring the "bona fide" status of the said companies, and identifying the shareholders, the board of directors and their respective roles in the financial settlements of the arms-related purchase.

71. In addition, the investigation centred on the follow-up of leads regarding the establishment of the origin of the UNITA military equipment seized in Togo as well as that of the arms confiscated by both the Angolan armed forces and the Namibian Defence Force.

72. The mechanism in its previous report also addressed the impact of the UNITA factor in the broad context of the conflict in the Democratic Republic of the Congo.

73. The progress regarding the projects concerning the assessment of the full extent of Air Cess arms-related flights and the profile of arms dealers was also described.

74. The subsequent investigation carried out in the framework of the current mandate, the findings of which are outlined below, centred on:

(a) The collection of additional information regarding the brokering companies, in particular the financial trail related to arms purchases;

(b) The determination of the origin of UNITA equipment seized in Togo;

(c) The assessment of other possible sources of arms supply.

A. Update on the arms brokering companies

75. **KAS Engineering Gibraltar** is a broker of exports from Bulgaria. The earlier investigation established that KAS acted as the sole contractor and initial buyer of the arms exported by suppliers based in Bulgaria. KAS had received payment in coverage of initial expenditures from Standard Chartered Bank. The pursuit of the investigation led to the identification of the account allegedly held at the New York branch of Standard Chartered Bank, from which the payments were drawn. The Mechanism has requested the cooperation of the authorities in the United States with a view to obtaining the particulars of the account and the account holder.

76. This development has permitted the Mechanism to reconstruct a particular modus operandi in the UNITA arms procurement methods. This method involved the use of forged end-user certificates, and the investigation demonstrated the key role played by Victor Bout as the alleged provider of the forged documents and formally identified the latter's air cargo company, Air Cess, as the carrier of the bulk of the equipment.

77. The financial trail relating to the arms purchase shows a fragmented pattern designed to break the link between the payment of funds and the supply of weapons (see annex I).

78. The **East European Shipping Corporation**, 102 Awala House, Nassau, Bahamas, is the broker of arms deals between SN ROM ARM and, purportedly, Togo. The Mechanism, following its request to the authorities of the Bahamas, was informed that the company was incorporated on 23 November 1993. Its subscribers are identified as June Jarret-Pen, P.O. Box 8097, Nassau, and Maude Cartwright, P.O. Box 8097, Nassau. The objectives for which the company is established include the conduct of any other business or businesses or any act or activity that is not prohibited under any law for the time being in force in the Bahamas.

79. The Mechanism has taken note of the details provided by the authorities of the Bahamas to the effect that the International Act 1989 under which the Corporation is formed does not allow the company to conduct business in the Bahamas; in addition, all of its transactions are conducted outside the Bahamas and all of its records are kept outside the Bahamas. Under the same Act, the documents held in the Bahamas, that is, the register of directors and officers, record books and minutes, are accessible only to members of the company without an order of the court. The production of such records requires that an application be made to the Supreme Court by or on behalf of a court or a tribunal.

80. Notwithstanding the above, the Mechanism was also informed that it will be provided with details concerning the composition of the Board of Directors and beneficial owners upon the compliance by the East European Shipping Corporation with provisions contained in new acts, namely, the International Business Act 2000 and the Financial and Corporate Service Providers Act 2000. Both acts, which came

into force on 29 December 2000, allow a delay of six months, that is, until July 2001, to the existing international companies and financial service providers to comply with its provisions.

81. The Mechanism notes that the legal requirements described constitute a major impediment to the efforts to fully disclose the role played by the East European Shipping Corporation in the purchase of weapons destined for UNITA, thus violating the sanctions imposed by the Security Council.

82. The Mechanism is of the view that, while bona fide law-abiding companies should be able to enjoy legal protection, the dubious ones engaged in any way in the violation of embargoes imposed by the Security Council should be denied the same degree of legal protection.

83. **Trade Investment International Limited**, 10 Cumberland Mansions, George Street, London. In its previous report the Mechanism mentioned that this company is said to be the European representative of the East European Shipping Corporation. The British authorities, upon request of the Mechanism, are conducting an investigation into its activities, in particular the extent to which it was involved in the arms deal brokered by the East European Shipping Corporation.

84. **Armitech Company Inc.**, 5 Cuba Avenue, 34 St. East Building 34-20, Panama City, is a broker of arms transaction between Arsenalul Armatei Romania and Burkina Faso. The Mechanism, upon its request, was informed by the Panamanian authorities that Armitech was founded on 6 March 1977 and duly registered under the reference No. 327199, Roll No. 53259. Its directors and officers include its President, Javier Adan Rivera Fernandez, Treasurer, Mario Gaytan Portillo, and Secretary, Vilma Alicia Morales. The Panamanian authorities have indicated that the company is not authorized to carry out activities related to the import or marketing of arms, ammunition, or accessories for firearms.

85. The Mechanism has noted from the memorandum of association of the company that the company may conduct any business involving the purchase and sale of conventional defence equipment and armaments, including military ships, aircraft, military spare parts, explosives, land vehicles, any type of electronic equipment, repairs and feedback systems. Similarly the company acts as an agent for this type of business around the world. The Mechanism observes that its request regarding the circumstances under which Armitech was involved in arms deals in violation of United Nations-imposed sanctions against UNITA was left unanswered. The Panamanian authorities have indicated that the necessary arrangements have been made to have the matter investigated.

B. Tracing the origin of the UNITA equipment seized in Togo in 1997

86. The earlier enquiries aimed at tracing the origin of UNITA equipment transported on Air Cess flights and seized in Togo in 1997 had resulted in establishing the details of three aircraft that ferried the equipment to Togo and their flying route from three transit airports, Khartoum, Nairobi, and Johannesburg.

87. The subsequent investigation prompted the Mechanism to undertake missions to the Sudan, Kenya and South Africa. While in Nairobi, following consultations with the civil aviation authorities, the Mechanism was provided with data that allowed it to establish the route of two of the aircraft under consideration as follows:

88. **Aircraft type Ilyushin-76 LZ-AZC**. Arrival in Togo from Khartoum was recorded on 15 July 1997 at 1450 hours. An Ilyushin-18 aircraft with the same registration number, LZ-AZC, landed at Khartoum airport on 15 July at 0645, from Beirut.

89. The Lebanese authorities, at the request of the Mechanism, have confirmed the routing and indicated that the flight arrived at Beirut Airport on 15 July 1997 at 0137 from Sharja, United Arab Emirates. In response to the Mechanism's request, the authorities of the United Arab Emirates have indicated that the aircraft took off from Sharja Airport on 14 July 1997. The route of the aircraft was formally established as Sharja – Beirut – Khartoum – Togo. This routing demonstrates the use of Sharja Airport as a departure point in the Air Cess arms-related flight.

90. It is worth noting that the authorities of the United Arab Emirates have not indicated any other origin of the flight prior to its taking off from Sharja. On the other hand, the same authorities have indicated that the flight transported passengers and that its stated destination was Berbera in Somalia. The Mechanism believes that, despite the discrepancy in the types of aircraft reported, the registration and the routing suggest that one and the same aircraft was involved.

91. **Aircraft type Ilyushin-76 ELDRT**. Arrival in Togo from Nairobi was recorded on 23 August 1997, at 1817 hours.

92. The Kenyan authorities have informed the Mechanism that this aircraft arrived at Jomo Kenyatta Airport from Goma, Democratic Republic of the Congo, prior to proceeding to Togo. The Mechanism was not in a position to cross-check the stated routing owing to the conditions currently prevailing in Goma.

93. **Aircraft type Ilyushin-76 ELDRT**. Reportedly arrived in Togo from Johannesburg on 24 August 1997.

94. At the request of the Mechanism, the South African authorities have responded that there is no record of this flight in the database of either the national Department of Transport or the Air Traffic Navigation Service.

95. The Mechanism was informed that during the course of 1997 Air Cess was issued 38 permits for 90 flights. Following a careful scrutiny of a list of Air Cess flights earlier provided by South Africa, the Mechanism noted that one Air Cess flight was recorded in the period from 23 to 30 August 1997, with no details of the route. The Mechanism is of the view that it is necessary to cross-check the movement of the Air Cess flight recorded in South Africa with the civil aviation records from Togo documenting the origin of the aircraft IL-76 ELDRT as Johannesburg.

Other possible sources of supply or arms-related flights

96. The Mechanism, on the basis of the analysis of the pattern of identified arms shipments, which showed significant discrepancies particularly in 1998 and 1999, has pursued its probe into the existence of other sources of supply and/or arms-related flights. To that end the investigation followed leads related to the flights operated by the cargo company Air Cess. The Mechanism has also explored the possible impact of arms caches in Angola and that of the broader phenomenon of the illicit circulation of small arms and light weapons in the southern region.

C. Review and analysis of flights operated by Air Cess

Methodology

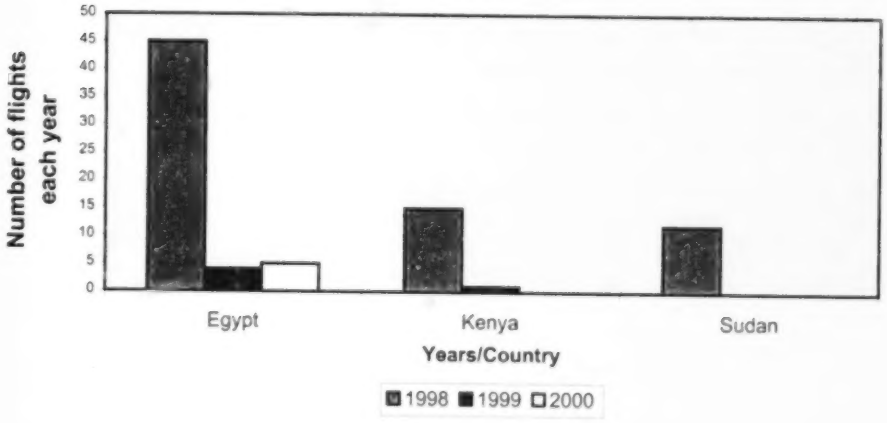
97. The methodology of the exercise is based on the following parameters. The fleet of aircraft owned or chartered by Air Cess, together with its long-standing operation in African countries, put Air Cess in a dominant position in the area of air cargo transportation in Africa. As indicated earlier, Air Cess is the single carrier of the bulk of the arms shipments destined for UNITA.

Data collection

98. The data to be collected concerns the details of the Air Cess-operated flights, including date of departure and/or transit, type of aircraft, registration, destination, nature of cargo, consignor and consignee. The data collected relates to the three transit airports, Cairo (in one instance), Nairobi and Khartoum. The period covered is from 1998 to 2000.

99. The Mechanism wishes to note the excellent cooperation provided by Egypt, Kenya and the Sudan in providing the data required (see figure).

Air Cess flights transiting through Egypt, Kenya and the Sudan from 1998 to 2000



100. The analysis and the cross-checking of the data collected from the civil aviation authorities of destination countries led to the selection of the Air Cess flights indicated below for further examination.

Flights originating from the Republic of Moldova

Date	*Flight*	*Routing*	*Payload*
11 January 1998	IL-76 3DRTT	Moldova-Nairobi	29T
8 March 1998	IL-76 3DRTX	Moldova-Nairobi	29T
12 March 1998	IL-76 3DRTX	Moldova-Nairobi	29T

101. The verification conducted by the Moldovan authorities confirmed the flight of an Ilyushin-76 on 11 January 1998. It is also established that the flight of 12 March 1998 was carried out. There was no flight on 8 March. Both IL-76 aircraft departed from the Moldovan airport Marculesi and transported armaments and military equipment purchased in Moldova by Joy Slavakia, a Bratislava-based company. The export was effected on the basis of an end-user certificate reportedly issued by the Ministry of Defence of the Republic of Guinea.

102. The Mechanism has noted that the civil aviation data made available on the Air Cess flights show no record of arrival in Kenya. At this stage, the Mechanism is of the view that it is necessary to verify, with the cooperation of the Guinean authorities, the authenticity of the end-user certificate before any final conclusion can be drawn.

Flights reportedly originating from Uzbekistan

Date	*Flight*	*Routing*	*Payload*
8 January 1998	IL-76 3DRTX	Uzbekistan-Nairobi	30T
19 January 1998	IL-76 3DRTX	Uzbekistan-Nairobi	30T

103. The Uzbek authorities, in their response to a query from the Mechanism, have indicated that there were no Air Cess flights from their airports or flying over the territory of Uzbekistan on the dates indicated. Similarly, there are no Air Cess aircraft registered in or chartered from Uzbekistan. On the other hand, the Mechanism was informed by the Uzbek authorities that during the period 1998-2000 several transit and non-stop Air Cess flights were conducted over Uzbek territory. The different routes were from the Kazakh cities of Astana, Alma, Jambul, Chimken and Karaganda, to and from Sharja and Ra's al Khaimah, United Arab Emirates. In 1998 alone, Air Cess conducted 91 transit flights over the territory of Uzbekistan, of which 88 were non-stop. The aircraft used were 12 Ilyushin-76, 70 Ilyushin-18 and 9 Antonov-12.

104. The Mechanism has requested the authorities of Kazakhstan and the United Arab Emirates to ascertain the information and to provide all details regarding the flights, in particular the nature of the load and the particulars of consignor and consignee.

D. Arms caches in Angola

105. The Mechanism was informed during its mission in Luanda that intelligence reports pointed to the existence of UNITA arms caches at different locations. Operations conducted by the Angolan armed forces from 22 January to 27 September 2001 resulted in the uncovering of several caches and the subsequent seizure of military equipment (see annex II).

106. The Mechanism observes that the number of arms caches uncovered in a nine-month period, viewed against the background of the deceitful tactics resorted to by UNITA over the years, suggests a far wider problem. Furthermore, in the short term and on a smaller scale, these arms caches are a potential substitute for the external arms supplies made difficult by the monitoring of the sanctions regime.

E. Illicit circulation and traffic in small arms in southern Africa

107. The Mechanism observes that the bulk of weaponry now used by UNITA falls under the category of small arms. This category includes revolvers and self-loading pistols, sub-machine guns, machine guns, grenades, anti-tank weapons and anti-aircraft weapons. Assault rifles, light and heavy machine guns, rocket-propelled grenades, portable mortars and missiles also fall under the category of small arms.

108. The proliferation, circulation and traffic in small arms and light weapons have been recognized as a global threat to stability, security and sustained economic and social development. In the face of this threat and its multiple consequences, southern Africa, through the subregional organization SADC, and other organizations, has formulated a sound regional policy to tackle the illicit proliferation of firearms in the subregion. Other far-reaching components of this policy include the adoption by SADC of a declaration on small arms and its programme of implementation and the finalization of the SADC Protocol on the Control of Firearms, Ammunition and Other Related Materials.

109. On the broader continental level, the ministers of the States members of the Organization of African Unity have adopted the Bamako Declaration, outlining the African common position on the illicit circulation of weapons, including the formulation of recommendations.

110. The recently concluded United Nations Conference on the Illicit Trade in Small Arms and Light Weapons has led to the adoption of an Action Plan to address the threat at all levels, national, regional and international.

111. It is worth mentioning that the availability of a ready market for illicit weapons adds to the challenge of curbing the sources of arms supply to rebel movements, including UNITA.

F. UNITA as a factor in the conflict in the Democratic Republic of the Congo

112. The Mechanism has remained alert to leads pointing to the alleged presence of UNITA in the eastern region of the Democratic Republic of the Congo and its equally alleged cooperation with armed rebel movements present in the same region.

It has noted with interest that press accounts of the attempted coup that occurred in the Central African Republic mentioned the movement into Bangui of troops of the Mouvement pour la libération du Congo as well as elements of UNITA to oppose the coup plotters.

113. The Mechanism, during the course of its missions, has continued consultations with authorities on these allegations but has not received sufficient corroborating details. The Mechanism still holds the view that the issue of UNITA in the eastern Democratic Republic of the Congo deserves close and continued scrutiny.

G. Status of the project on the profiling of arms dealers

114. The ongoing project on the profiling of arms dealers mentioned in the previous report, namely, Imad Kebir, alias Piotr Godunov, and Victor Bout, has not recorded any major progress. The Mechanism has not been able to collect information other than that already published, except in the case of Victor Bout.

115. It notes with appreciation that the Ukrainian authorities have undertaken searches to provide more background information on Piotr Godunov, who is believed to be a Ukrainian national. The Ukrainian authorities have however informed the Mechanism that the searches have not yielded results.

116. In addressing the overall issue of violations of arms sanctions and sanctions violators, the Mechanism has also developed a collaborative relationship with the International Criminal Police Organization (Interpol), the world's leading international law enforcement organization, and the Wassenaar Arrangement, an intergovernmental organization with a membership consisting of 33 arms-producing countries.

H. Consultations with the Interpol secretariat

117. In the context of the cooperation extended by Interpol to the Mechanism, its secretariat has conducted criminal background checks on the arms dealers and the brokering companies named. From these searches it has emerged that they have no criminal records.

118. The Mechanism, during its third visit to Interpol headquarters at Lyon, France, was briefed on the facilities and technological resources of Interpol and held discussions with officers dealing with offences relating to arms and explosives.

119. The Mechanism has noted with great interest the Interpol Weapons and Explosive Tracking System (IWETS) of the anti-terrorism branch. A project aimed at improving this database on arms and explosives — and ensuring timely and secure access by member countries, is currently being undertaken. The projected components of the system are to include the following:

- List of stolen firearms worldwide;
- A worldwide firearms tracing capability;
- List of worldwide bomb and explosives components;
- An electronic reference library for firearms;

- Operational and flash bulletin board;
- Embedded analytical tools.

120. The Mechanism stresses that iWETS, if adequately resourced, could prove to be a unique law enforcement tool for tackling arms-related offences, including the illicit traffic in arms, and it deserves the full support of the international community.

I. Contacts with the Wassenaar Arrangement

121. In the course of 2000 and 2001, the Mechanism held consultations in Vienna with the secretariat of the Wassenaar Arrangement. The head of the Wassenaar secretariat visited United Nations Headquarters in his capacity as Chairman of the negotiations on the Protocol against the Illicit Manufacturing of and Trafficking in Firearms to the United Nations Convention against Transnational Organization Crime.

122. At those meetings, the Mechanism conveyed to the head of the Wassenaar secretariat its concerns, which centred on the following issues:

(a) The export control policies and procedure of the member countries of the Wassenaar Arrangement;

(b) The proper scrutiny of end-user certificates by the responsible agencies in Wassenaar Arrangement member countries;

(c) The institution of measures to confirm delivery in transactions involving arms and dual-use goods.

123. The Wassenaar secretariat undertook to forward to its participating member States copies of the Mechanism's report and the addendum thereto (S/2000/1225 and Corr.1 and 2 and S/2001/363). Drawing on the work of the Wassenaar Arrangement at its plenary sessions, the secretariat, in 1999 and 2000, noted that the concerns expressed by the Mechanism had featured prominently in the Arrangement's agenda and discussions.

124. Specifically, during those plenary meetings Wassenaar Arrangement member States had reaffirmed their commitment to maintaining responsible national policies on the licensing of exports of arms and sensitive dual-use items. They had noted with concern illicit arms flows to zones of conflict and areas covered by Security Council embargoes, as well as licit transfers to zones of conflict from States not participating in the Wassenaar Arrangement.

125. At their meetings in 2000 Wassenaar Arrangement participating States agreed to continue consideration of practical arms control measures, including an appropriate collaborative role with States members of the Economic Community of West African States (ECOWAS) to respect the provisions of the ECOWAS Moratorium and to provide advisory and/or technical assistance in the implementation of the Moratorium. In acknowledgement of the Mechanism's communications to Wassenaar, participants expressed support for the efforts of the Security Council to prevent illegal arms transfers to the UNITA forces in Angola.

126. The Wassenaar Arrangement in 2000 also reaffirmed the importance of responsible export policies towards, and effective export controls over, small arms and light weapons to prevent destabilizing accumulations worldwide. Participant

States agreed to continue to share information and explore practical measures to these ends. Other areas for further consideration were identified, including arms brokering. Participating States recognized the importance of this issue and agreed to continue to exchange information on national legislation and practices, and to discuss possible enforcement measures.

127. The Monitoring Mechanism and the Wassenaar secretariat share the view that the ongoing process of information-sharing has established a useful basis for further progress towards their common goals.

J. Transport: focus on Air Cess and its restructured operations

128. The public exposure since March 2000 of the involvement of Air Cess in the continuing violation of sanctions has prompted Victor Bout to restructure his company's operations. The Mechanism has received allegations that Victor Bout has resorted to a network of subcontractors and partners through which he continues his sanctions-violating activities (see annex III).

129. The network of subcontractors is described as consisting of:

- Pilot Air (Pty) Ltd. This company, registered in South Africa, is also believed to operate as Anton Air (Pvt) registered in Lesotho. Both Pilot Air and Anton Air maintain offices in Centurion, South Africa, and are headed by Ventine Vaouline.
- Norse Air Charter. This company is registered in South Africa as Metro-D (Pty) and trades as Norse Air Charter. The Director of Norse Air is identified as Deidre Ward, based in Rivonia, South Africa.
- Air Zory. The company is believed to be registered in Cyprus at 6 Zena Kanther Street, Nicosia. Sergei Antolivic Bout is said to be a partner of the company.
- Volga Air. The director of this company is identified only as Sidatov.
- J. Rand. The director of this company is identified as Kosalopov. The other partners include Victor Nicolajewics Zielniuk, allegedly an arms dealer, said to be running the company News Air (Air Charger (Co)) and to hold the position of Director of Mega Manufacturing Holdings. He is said to be operating from South Africa. This latter company was allegedly set up in South Africa by Rossvooruwhenuye, a weapon manufacturing company.
- John Bredenkamp. Allegedly an arms dealer for whom Bout's companies are flying.

IV. Petroleum and petroleum products

130. The Monitoring Mechanism, in the course of its interaction with the competent authorities of the countries visited, has continued to pay full attention to the petroleum and petroleum product component of the sanctions regime imposed against UNITA.

131. The Mechanism has recently received allegations pointing to attempts to secure petroleum by UNITA. Pilots are allegedly being approached and offered amounts of money up to US$ 100,000 per delivery to transport petroleum. A Botswana-based businessman, Denis Couglan is allegedly involved in these ventures. Although the Mechanism has not been able to independently confirm these allegations, it is worth mentioning that the same individual was mentioned in 1999 by the Panel of Experts in relation to attempts to fly fuel to UNITA.

132. The Mechanism, during the course of earlier visits, took up with the Botswana authorities the allegations dating back to 1999 and was informed that, following investigation, they had proved to be unfounded.

133. During its recent visit to Luanda, the Mechanism was informed that the Angolan armed forces had seized from UNITA over 20 Toyota 4x4 vehicles. The list of vehicles will be provided to the Mechanism in the near future.

134. The Mechanism holds the view that petroleum and petroleum products remain of critical importance to UNITA operations and require sustained monitoring.

V. Sanctions on UNITA diamonds

Summary

135. This section of the report focuses on elements of the implementation of ecurity Council resolution 1173 (1998). It first deals with general questions and updates work previously done on the Angolan implementation of the sanctions; secondly the so-called demand side of UNITA diamonds is discussed, and the question of tracing those diamonds. Case studies are included where appropriate.

136. In its previous report (S/2001/363), the Mechanism examined the possibility of tracing the diamond companies and circuits that make the marketing of UNITA diamonds possible, and has built on that during the present mandate. Developments in areas examined during the previous mandate are also considered, as for example, changes in the diamond security systems in Angola.

137. The Mechanism examined the single-channel marketing system put in place in Angola to bring Angola's illicit diamond circuits under control and to exclude UNITA diamonds from official channels. The Mechanism noted that three tools were being used for this purpose, namely, the registering of the middlemen who trade diamonds from small miners, the inclusion in the State sector of formerly illicit miners, and the development of a specialized diamond security system to police the illegal sector.

138. The Mechanism also examined reports on UNITA diamond sales and on the smuggling and trading routes utilized by UNITA and its agents, in particular through the Democratic Republic of the Congo and South Africa. The Mechanism outlined the results of the feasibility study carried out during its previous mandate on the possibility of tracking UNITA diamond trading through existing diamond control systems and outlined the methodology for investigating the UNITA diamond trade.

139. The method used was to search for hard evidence that would support the information already gathered by the Mechanism on rough diamond trading companies said to be involved in violating the sanctions. While this might appear

self-evident, it is quite uncertain whether such evidence exists, as will be demonstrated. In investigating the activities of diamond companies, the almost total lack of transparency obtaining among companies, the relative absence of traceable paper trails and the protection of what data is available by commercial confidentiality or law create peculiar difficulties in finding hard evidence of dealers' activities. The challenge, in preparing this report, has been to find a way of constructing a chain of evidence, which it has proved possible to do in some cases.

140. The Mechanism noted in its previous report that verification of information involves:

- Gathering all available information from as wide a range of sources as possible;
- Searching for any existing paper trails, which are likely to cross three or four countries;
- Travelling to the site of suspected deals to verify information on the ground;
- Interviewing dealers about their diamond buying activities.

A. The diamond sanctions

141. The Mechanism has established that Security Council resolution 1173 (1998) continues to be violated. The CEO of the Angola Selling Corporation (ASCorp) has again informed the Mechanism that between $1 million and $1.2 million of embargoed diamonds leave Angola each day, equivalent to $350 million to $420 million a year. Smuggled diamonds from Angola constituted 5 per cent of the value of the estimated world rough diamond supply for 2000.

142. Given the very large size of this trade, which of necessity involves many players in as many countries, it is not possible, in the course of a single mandate or a single report, to monitor and evaluate every sector of the rough diamond trade that could be considered to be involved. Nor has it been possible to address some very important issues relating to the working of institutions in the details they deserve, at least at this time, because of the necessary primary focus on gathering evidence of sanctions violations in the field.

143. The Government of Angola has informed the Mechanism that the single largest problem it has in the diamond sector is no longer diamonds produced by UNITA but illicit diamonds being smuggled on a larger scale by other players, as mining areas previously held by UNITA are recaptured. Recent changes in mining policies in Angola will aid in controlling this problem, but the solution at present is to try to ensure that these players operate within the system. The structures for selling illicit diamonds remain in place; for example ASCorp recently withdrew the credentials of 400 middlemen, many of who are said to remain in Angola and who constitute a major problem that is being addressed by new security measures.[1] (The sheer numbers of middlemen tend to support the high figure for smuggled diamonds.)

144. When the sanctions were imposed, UNITA was mining a larger proportion of illicit Angolan gems than is now the case, though it had already ceased to be the largest producer of diamonds in Angola. The purpose of the sanctions is to inhibit or

[1] *Source*: Angola Selling Corporation.

prevent UNITA from trading diamonds by clearly distinguishing between the legitimate market in Angolan diamonds and the illegal market. As a tool to distinguish these markets and protect the legitimate trade, the certificate-of-origin scheme is invaluable. However, what it does not, and cannot, do is to separate out diamonds traded by UNITA and diamonds smuggled from other groups within Angola.

145. The solution is implied in the wording of resolution 1173 (1998), in which the Security Council decided that all States should take the necessary measures ... to prohibit the direct or indirect import from Angola to their territory of all diamonds not controlled through the certificate-of-origin regime of the Government of Unity and National Reconciliation. This makes clear that all diamonds from Angola entering a market without a certificate of origin issued by the Government of Unity and National Reconciliation are embargoed and liable to interception, though equally clearly UNITA is the principal target of the sanction.

146. The primary responsibility for intercepting diamonds mined in defiance of the embargo clearly lies with States, yet diamonds equivalent to the production of an entire country are reaching markets across the world. To date not a single parcel of illicit Angolan gems has been intercepted anywhere, to the knowledge of the Mechanism, beyond one suspect parcel in Belgium under the previous Angolan certificate-of-origin regime. No diamond dealer has claimed to have witnessed Angolan gems being traded on any diamond bourse. These diamonds seem to vanish into thin air after leaving Angola. How is this even possible, given the magnitude of the trade, which is close to the value of the output of Australia or Namibia? Perhaps more importantly, why is it possible for diamonds to vanish?

147. Given the international and transnational nature of the diamond trading world, it is difficult for any single State to gather the information necessary to intercept illicit diamonds, unless they have specific information about a suspect parcel and can intercept it on arrival. All States are aware that any diamond whose provenance is stated to be Angola must be accompanied by a certificate of origin issued by the Government of Angola. However, the expertise of customs officials in identifying problematic parcels is limited to deciding whether a diamond parcel has a single origin or not, not its place of origin. Detailed procedures have, in some cases, been implemented in diamond trading centres, Belgium in particular, and additional precautions put in place in, for example, Switzerland.

148. Rough diamond trading is global, and includes both direct import into countries and trading between centres. The Mechanism has approached the main diamond centres for information on their implementation of sanctions and on anti-smuggling measures taken. Countries have not on the whole provided information to the United Nations on their implementation of sanctions unless approached by the Mechanism for that information; in some cases even repeated visits and correspondence have failed to raise answers.

149. The European Union is the world's single largest trading centre for African diamonds. A proportion of UNITA diamonds are therefore of necessity entering the European single market, whether as smuggled diamonds or as laundered diamonds. The questions of the detectability of UNITA diamonds and the laundering mechanisms that enable them to enter markets are addressed below.

B. The Kimberley Process

150. The Kimberley Process addresses the question of the implementation of a worldwide certificate-of-origin system. The Mechanism attended the two most recent meetings of the Kimberley Process, in Moscow in July and in London in September.

151. It was agreed that additional work would be undertaken to assess the relationship between proposed elements of the envisaged certification scheme and international trade obligations, as well as elements relating to implementation of the proposed scheme in the European Community. These elements relate to internal monitoring of diamond imports, once they enter the European Union. The Kimberley Process will report to the General Assembly at its fifty-sixth session on progress achieved.

152. At the meeting in London agreement was reached, subject to final endorsement, on the draft of the key elements that would form the basis of an international certification scheme, including the need for credible controls and procedures, effective information-gathering and credible monitoring and oversight.

153. Other outstanding issues that will be discussed at the next meeting, to be held in Luanda, are the nature of the international instrument in which the certification scheme will be reflected; how a monitoring system can be made credible; and how industry self-regulation will interact with the scheme.

C. The experience of Angola

154. The certificate-of-origin scheme in Angola is one of two working certification schemes. One element of the Mechanism's work has been the monitoring of this scheme, as far as possible. A structured programme of monitoring is required, since the weakest point in the system is the buying offices, as the case study below demonstrates. The Mechanism has continued to visit buying offices, this time at Lucapa, to discuss what types of control and instructions are in place, and has examined both local documentation of diamonds, and the diamond parcels themselves, as well as interviewing the buyers. Two such site visits were discussed in the previous report.

155. From observations in the field, the Mechanism is reasonably assured that buyers in the offices are taking pains to be aware of the source of their diamonds. At Lucapa, for example, ASCorp collects the middlemen from the mines and takes them to the ASCorp offices. All the parcels are recorded, together with the sellers' names, and those parcels seen by the Mechanism — the parcels in the safe at that moment — were small. While it is impossible to be certain that UNITA diamonds are totally excluded, reasonable precautions are being taken. Increased security and checking, discussed below, are to be implemented, together with the development of strengthened systems.

156. The question of determining ASCorp's compliance with the sanctions was addressed in part in the previous report, including the identification and licensing of middlemen, which makes them traceable. The ASCorp system means that diamonds are traceable back to specific mines, known to the buying office both by paperwork

and by parcels — the diamonds are not mixed until they reach Luanda. Each transaction is — or should be — recorded and traceable.

157. Besides using the system just described, at the risk of being traced, UNITA plainly uses its own well developed trading systems for its centrally controlled diamonds, which are discussed in this report. It does not want to pay a 6 per cent tax to the Government. All the evidence there is suggests that UNITA trades mainly with companies it trusts and with whom it has long-standing business relationships. All the available information points to UNITA and its business associates using well-established trading routes through neighbouring countries, or to the use of illegal buyers operating inside Angola, known to UNITA, and having relationships with the diamond companies working with UNITA.

Case study: how the Angolan export system for rough diamonds operates*

158. There are two streams for Angolan diamonds. The first is diamonds produced in joint-venture mines, which account for approximately 50 per cent of Angola's diamond production. These diamonds are valued by Diamond Counsellor International, the external valuator for Endiama, in the Central Bank. They are then sold on the basis of a negotiation between the seller and ASCorp. Sellers can have their own valuers to advise them. Once a sales price is agreed the goods are sealed jointly by Endiama, the buyers and Angolan Customs, in the National Bank. The certificate of origin is then issued by the Ministry of Commerce, countersigned by Endiama and attached to the box. The boxes remain sealed.

159. The second stream is the goods purchased by ASCorp, through its buying offices, from small miners. These are amalgamated for shipment and valued by Diamond Counsellor International in the ASCorp offices prior to export. Diamond Counsellor International seals the parcel after valuation and then the following day Endiama and Customs open them, check the weights and reseal them. The certificate of origin is issued as above.

160. The diamonds are flown out to markets, and the plane is monitored until it leaves Angolan airspace. The seals on the boxes must remain intact until they arrive in the Antwerp or Israeli diamond controller's offices, the two sole points of first import for legitimate Angola diamonds at present.

161. In Antwerp, the certificate of origin is transferred to the Ministry of Economic Affairs, which verifies the original certificate of origin and then issues an import license for that shipment, which contains the information that the original certificate was sent to the Ministry in accordance with Security Council resolution 1173 (1998). The import license is handed to Customs and the box is physically inspected by the sworn-in experts. The boxes are cleared by Customs and the licence returned to the Ministry of Economic Affairs.

162. The diamonds from the Catoca mine are exported only to Israel, to a single buyer. The Israeli Diamond Controller's Office commented that diamond imports from Angola were confidential because the diamonds were imported by a single company, but confirmed that the boxes from Angola are handled through a separate system, and that all boxes must be sealed on arrival at Ramat Gan.

* *Sources*: Ministry of Geology and Mines, Angola; Diamond Counsellor International; Ministry of Economic Affairs, Belgium; Diamond Controller's Office, Israel.

163. Exports from Angola and imports into these two centres must necessarily be cross-checkable by the authorities, such that imports and exports match. Both diamond centres have reported that there have been no problematic imports under the new certificate-of-origin scheme in Angola.

The new diamond security system in Angola

164. The diamond security system, the Guichet Unico, whose role was discussed in the previous report, has been superseded by a new body, since the previous system had proved ineffective in controlling illicit diamonds in Angola. Further, the Corpo Especial de Fiscalizaçao e Segurança de Diamantes (CSD) was instituted but, following the signing of a technical agreement with the Government of Belgium, the lead body in diamond security and anti-smuggling activities is now the Diamond Inspection and Security Corps. The decision was announced in September. Its primary function will be to monitor all aspects of diamond production, certification and commercialization in Angola — in other words it will be a complete but independent diamond security system. CSD remains suspended for the time being.

165. The Diamond Inspection and Security Corps consists of a Belgian/British company which will also work with elements of ASCorp's security system, which issues credentials to buyers and small miners. The new body will report to the Vice-Minister of Geology and Mines every three months on its effectiveness in implementing the system, identifying and capturing illegal dealers and excluding any UNITA diamonds from ASCorp circuits.

166. The decision to take this approach was made when it was realized that CSD and its predecessor had failed to take effective action against the numerous illicit diamond buyers operating from Luanda In view of the doubts about the capacity of CSD and its willingness to implement one major part of the certificate-of-origin scheme in Angola, decisions were made at the highest level to institute a new diamond security regime to bring the diamond smuggling under control, which is both a political and a commercial necessity. This will also serve to expose the extent of UNITA trade, which is currently largely concealed by the volume of illicit diamonds leaving Angola.

167. The previous report examined in detail the issues that Angola has begun to see as necessary in backing up a credible certification scheme. These include three key points, in addition to those made above:

(a) Bringing illicit miners into the system, improving their social conditions and controlling their activities;

(b) Licensing and control of diamond middlemen;

(c) The capacity to investigate and arrest illicit dealers.

168. Effective control on the ground is a clear priority for the credibility of the certification scheme, though implementing this requires relatively long-term measures. Angola is turning itself into a test case for the possibility of bringing illicit mining and buying under control, and if this can be done in Angola, the experience will be repeatable elsewhere in Africa.

D. Importance of the Democratic Republic of the Congo in the laundering cycles

169. The question of the Democratic Republic of the Congo was addressed in part in the previous report but the Democratic Republic of Congo — and the Republic of the Congo, which is simply a subset of the same question — remain vitally important routes for smugglers. Diamond smuggling from the Democratic Republic of the Congo is one of the most intractable problems facing those concerned with the control of conflict diamonds.

170. One of the legal buyers in the Democratic Republic of the Congo, interviewed by the Mechanism, commented that approximately 20 per cent of the stones seen in Tshikapa and Kinshasha are said to be Angolan. On import into diamond centres, there are no checks to ascertain whether the diamonds have originated from licensed buyers in the country, so that the long tradition of smuggling diamonds from the Democratic Republic of the Congo continues unhampered. Checking the legitimacy of the diamonds is not a necessary Customs procedure for diamond imports, except for Angolan and Sierra Leonean legitimate imports.

171. However, so-called Democratic Republic of the Congo diamonds do not even physically need to transit the territory. Provisions in Belgium and Israel for producing an invoice on entry into the country mean that those diamonds can be flown directly from Angola by courier and simply declared as originating from the Democratic Republic of the Congo, and there are no available means of checking this, even though import licenses are issued to registered Belgian and Israeli diamond importers to bring in these goods. In carrying out its research, the Mechanism has established that the sellers of the goods are usually known to the importing companies, and that companies tend to buy from a small and identifiable group of people.

E. The "demand" side of diamonds

172. Questions of demand in the diamond industry are inextricably related to conditions in the jewellery market, in particular to the United States jewellery market, which itself consumes over 50 per cent of diamond jewellery produced worldwide each year. Imports of polished diamonds into the United States of America during 2000 were $3.12 billion for diamonds under 0.5 carat and $8.134 billion for diamonds over 0.5 carat. It was a record year for diamond trading. The movements of the United States jewellery market are the single most important factor affecting the sales of rough diamonds. This is an industry in which the so-called "demand" and "supply" sides are tightly interlinked, however; a fall in demand for diamond jewellery, as now, is followed rapidly by price falls in rough diamonds on the open market, since the diamond pipeline while complicated still exists on a very short feedback loop between demand and supply.

173. At present there is a severe recession in rough diamond trading, as a consequence of the economic slowdown in the United States of America since the last quarter of 2000. Diamond dealers in Antwerp are reporting falling prices for rough diamonds and De Beers estimates that retail diamond jewellery sales fell during the first six months of 2001, with diamond imports into the United States estimated to have fallen by 20 per cent. Exports from Antwerp fell by 11 per cent in

the first half of 2001. De Beers, as a consequence of this downturn, announced in September 2001 that it would be imposing production quotas at its mines and on the clients who have sales contracts with the Diamond Trading Company. The size of the quota, which means that producers will have to cut back production or stockpile diamonds, has yet to be announced. This is an emergency measure taken by De Beers to restrict the supply.

174. The effect of the recession in diamond trading actually tends to increase the demand for smuggled diamonds, for those traders who buy these goods. The reason for this is the very small profit margin of the smaller rough diamond traders and cutters. The profit margin can be as little as 2 to 3 per cent. Diamonds taken out of a country without payment of tax of, for example, 4 per cent, in the Democratic Republic of the Congo or 6 per cent in Angola increase the very tight profit margins. Diamonds may also be smuggled into a country with a lower tax rate and exported legally from there. Dealers would expect to buy at a discount from an illegal source of supply such as UNITA. The number of dealers who buy smuggled diamonds is likely to increase while the recession lasts, in view of the very narrow trading margins.

175. In Angola, the recession has led to a curious phenomenon: illegal middlemen are actively seeking out the top 30 per cent of stones, and the value of the smuggled diamonds has increased, though actual quantities may not have altered. The demand for higher quality, larger stones holds up better than the demand for the smaller or lower quality stones that make up the mass market for jewellery, and Angola does produce very high quality diamonds. ASCorp has told the Mechanism that the overall average carat value of the diamonds it is buying has fallen quite severely in the last few months. UNITA can expect to have a market for its goods while the recession lasts, provided it has access to the better quality diamonds.

F. Identifying diamond trading by UNITA

176. UNITA probably — but this cannot be proved — sells between 25 per cent and 30 per cent of the illegal diamonds leaving Angola, excluding sales from stockpile whose value cannot be assessed at present, but on which the Mechanism has received some information. The Mechanism also has information to the effect that a stockpile of coloured stones is held by the UNITA leader, Jonas Savimbi. It is not known where the rest of the stockpile is held. The only fancy colours Angola produces are pink and yellow.

177. In mid-2000, UNITA was said to be attempting to set up sales of between 2,500 and 5,000 carats of rough diamonds a month, with weights from 3.5 carats upwards and an average weight of 10 carats. This probably represents sales from stockpile as well as current mining. The Mechanism has heard repeated reports that UNITA has been selling diamonds from its stockpile during 2001.

178. The diamond trading systems of UNITA have been examined in previous reports by the Mechanism. Four systems for trading diamonds have been identified:

(a) Selling by tender to diamond dealers, using third countries: this sales method gives UNITA the best achievable prices for its diamonds, since dealers offer sealed bids for the parcel. It is also difficult to trace tenders in diamond statistics if

they occur in different countries each time and no clear traceable pattern of behaviour is built up;

(b) Selling directly to friendly dealers: the Mechanism has been examining information on 16 diamond companies, in three diamond centres;

(c) Smaller opportunistic sales which raise money for local purchases of food and medicines. These may be centrally organized, or may be the local activities of UNITA members;

(d) Diamonds used as currency and traded for supplies, whether weapons or food and medicines.

179. Information on UNITA diamond trading systems is necessarily patchy and difficult to substantiate. It is one of the secrets UNITA holds most tightly. The Mechanism has previously identified elements of the structure for managing diamonds, the Ministry of Natural Resources (MIRNA). An ex-UNITA intelligence officer who surrendered in June this year informed the Mechanism that the head of MIRNA in the Malange region is Paulo Kalufele, who is Savimbi's brother-in-law. This close relationship suggests that Malange is the most important UNITA mining area. He also identified the next most important MIRNA member as João Katende, who is in the interior of Angola.

180. The Mechanism has paid detailed attention to the question of the current access of UNITA to diamond mines and has received conflicting information. The Mechanism holds the view that UNITA is still in possession of some diamond mines in the Provinces of Lunda Norte, Uige and Bie, among others.

181. The officer referred to above told the Mechanism that all diamonds mined by UNITA are now passed through the military operational commands to Jonas Savimbi's position. He described seeing six sealed opaque plastic sacks, about 16" x 10", filled with diamonds, arrive through this route in March 2001. This centralization of diamonds would allow UNITA to keep control of its diamond assets.

182. UNITA diamond sales outside Angola are managed by UNITA representatives. Their role is to contact friendly dealers when a sale is being prepared, and set up the sale. Among those said to have this role are Azevedo Kanganje in Belgium, Rui Oliveira in Portugal and Marcial Moises Dachala "Karrica", said to be in Burkina Faso, who is the most senior UNITA negotiator for diamond trades.

183. The Mechanism has heard several specific reports of UNITA diamond transactions in the past year and has examined the evidence available to verify those reports. One report of a parcel worth $10 million was not traceable to the named purchaser. A second parcel of 30,000 carats has been tentatively identified but since it passed through Switzerland before the Government began recording the movements of diamonds through *Zollfreilager*, it is not traceable beyond that point. In these cases, and in the case study on the United Republic of Tanzania, the paper trail does not provide enough information to permit the tracking of suspect diamonds to their origins.

184. The aim of the case study below is to demonstrate some of the disadvantages of attempting to track diamond smuggling by using available data on diamond transactions. This has posed a major methodological question which is approached in several ways in the body of the report and illustrated in case studies of diamond

dealers involved in the illicit trade. How is it possible to distinguish between UNITA and non-UNITA illicit diamonds?

185. There are several answers to this question. Firstly, it is possible for experts in Angolan diamonds to visually identify diamonds, as was done with a small parcel of six diamonds sold in South Africa, referred to in the previous report. These were determined to have come from the Mavinga region, during the period it was being mined by UNITA. However, such a clear identification is rare, because many of the diamond deposits cross such large areas that diamonds could come from either UNITA or non-UNITA sources. In some cases the diamond deposits themselves cross borders, further diminishing the possibility of recognizing the sources. To the extent that there are differences between the diamond deposits mined by UNITA and those mined by other players, expert analysis of any diamonds captured during police operations may reveal the source of the diamonds. To date this has not been done.

186. Secondly, many of the diamond companies have a previous history of working with UNITA and the Mechanism has information that some companies continue to do so. However, direct proof of working with UNITA is extremely difficult to find and probably requires the tracing of bank transactions, assuming that the diamonds were not paid for in cash. In some cases, there may be documentary evidence, or witnesses to contacts between UNITA and diamond dealers, but these are very exceptional cases.

187. The case study relating to the United Republic of Tanzania shows the problems of tracking information on parcels of UNITA diamonds back to their source, where the available information is simply that a parcel of diamonds was sold by UNITA to a particular company, with an approximate date. The Mechanism has detailed and credible information from three sources on this particular operation, yet it is still not possible to prove that this sale took place and was in fact a UNITA trade.

Case study: a study of anomalies

188. At the outset, the Mechanism wishes to express its deep appreciation to the Government of the United Republic of Tanzania for its invaluable cooperation and assistance, without which the case study would not have been possible. The United Republic of Tanzania was chosen for a case study rather than the Democratic Republic of the Congo, because the majority of diamonds are exported legally, so that there is a paper trail and recent data on diamond deposits, making checking of information possible. However, the study shows that it is difficult to isolate laundering of diamonds from the general malpractice of diamond dealers.

189. The key generic indicators used by analysts of the laundering of embargoed diamonds through third party countries are the following:

(a) The country has an existing diamond market;

(b) The average carat value of exported diamonds matches or exceeds the average carat value of Angolan gems, $250 per carat, and is not the expected average carat value for that country;

(c) An unexplained rise in the volume of exports from a particular country;

(d) Controls on diamond exports are relatively weak or can easily be circumvented.

190. The Mechanism examined information indicating that UNITA diamonds may be laundered through the United Republic of Tanzania. That country fits all the above criteria, and in particular exports very high value diamonds to Antwerp. As in Angola today, when the better quality, larger stones are being smuggled the recorded values are higher than the normal average carat value for that country.

191. Company A is a diamond trading company based in Antwerp. It has a history of working with UNITA prior to the imposition of sanctions. It has a subsidiary company, trading in general goods, not diamonds. That subsidiary shares a name with two diamond buying offices, one based in the Democratic Republic of the Congo and one in the United Republic of Tanzania, both of which trade diamonds to company A.

192. The Mechanism was informed that company A had bought a parcel of diamonds worth $250,000 from UNITA in February 2001. Two countries were proposed as the route out of Angola for this sale, the Democratic Republic of the Congo and the Republic of Tanzania. The Mechanism was able to trace to the United Republic of Tanzania one legitimate parcel of very similar value during the period in question, but not to establish whether it came from UNITA sources. The parcel was traded through what seems to be a subsidiary company, registered in the United Republic of Tanzania, established to buy locally produced rough diamonds. (Information about the ownership of the company is awaited.) There are also indications that a second parcel of diamonds of similar value was smuggled out of the United Republic of Tanzania by the same company during the same period.

193. During the Mechanism's visit to the United Republic of Tanzania to try to track this parcel, it became clear that there were huge discrepancies between the values of diamond imports into Antwerp from that country and Tanzanian records of exports; indeed it was not possible to find a single export from the United Republic of Tanzania of the value in question. It became clear that every exporter of diamonds from the United Republic of Tanzania was systematically under-declaring the value of diamonds, on export, to produce the vast difference in value. The global value of diamonds exported from the United Republic of Tanzania in 2000 (the most recent complete year for statistics) was 15 per cent of the value declared on import into Antwerp. This raised the question whether those diamonds in fact all originated in the United Republic of Tanzania.

194. Legitimate exports to Belgium by dealers in the United Republic of Tanzania during 2000 were recorded at the Ministry of Mines in Dar es Salaam as 25,875.85 carats, worth $1,682,059. A further 16,001.59 carats were exported, principally to India (mainly industrial diamonds), Cyprus and South Africa.

195. These diamonds are not checked for value on export from the United Republic of Tanzania, since the expertise to do so is not available, but are weighed and checked for value on entry into Antwerp. The value on import into Antwerp represents the real market value of the diamonds. The figure from Dar es Salaam represents the amount declared to the Government on invoices for export, on which tax is paid. The Commissioner of the Ministry of Mines provided detailed information on the country's diamond deposits and aided the Mechanism in checking records of exports, to determine whether the United Republic of Tanzania had become a "laundering" country for embargoed diamonds.

196. Imports from the United Republic of Tanzania into Belgium are recorded in Belgium[2] as follows:

Year	*Carats*	*Value*	*Average value per carat**
1999	6,909.08	$2,524,008.23	$819.49
2000	26,702.35	$11,528,916.20	$596.93
2001 (to end June)	9,171.60	$2,946,266.19	$565.74

* Calculated by the Mechanism.

197. These figures are very significant, in particular the average carat value. First of all, Tanzanian diamonds derive mainly from kimberlite mines in the north-east of the country. There is one large-scale mine at Mwadui, the Williamson Diamond mine, which is mined in a joint venture by De Beers (75% shareholding) and the Government of the United Republic of Tanzania (25% shareholding). This produced 312,511 carats of diamonds during 2000, worth $43.75 million, according to the Ministry of Mines. These diamonds have an average carat value of $139.99.

198. The United Republic of Tanzania has a system of licensing diamond dealers to buy the artisan production from the surface digging of kimberlite pipes in the Shinyanga region, in the north-east of the country. Records of diamond exports from Dar es Salaam showed that an average carat value of $65.28 was declared, in line with the values that might be expected from such sources.

199. The real average carat values shown in the table paint an entirely different picture of the diamonds exported, with average carat values of $596.93 recorded for 2000. On the face of it, the values are too high for the sources claimed, although they may simply represent theft of the best stones from the Willamson mine. The mining authorities informed the Mechanism that the increase in exports in 2000 was in fact due to a "diamond rush" which began late in 1999 and ended in August 2000, which means that these high values are not necessarily to be explained by dramatically increased leakage from the mine.

200. In the case of the United Republic of Tanzania, it is in theory possible to determine whether exported diamonds are genuinely mined there, since it is possible for experts to say whether diamonds come from kimberlite or alluvial sources. Belgian diamond experts may be able to verify this on import into Belgium, but do not have information on the nature of diamond deposits worldwide and are not expected to undertake such work at present.

G. Illicit traders: a shadow buying structure in Angola?

201. In an industry that is not required to give a clear account of its activities, it is difficult to gather adequate evidence and data. There is nevertheless some information about who is violating the embargo. Sixteen out of approximately 1,500 licensed companies importing diamonds into Antwerp have been identified as

[2] *Source*: Ministry of Economic Affairs.

potentially being involved in sanctions violations within the last two years; the majority of these are still thought to be active. It is not clear that the Mechanism has identified the total number of diamond companies involved, but these are the companies on which the Mechanism has credible information from multiple sources. The large quantities of illicit diamonds leaving Angola make it highly likely that many players are involved.

202. Police and diamond security sources in Angola and sources in Antwerp have suggested that there is in fact an illegal, "shadow" diamond buying structure, or structures, operating inside Angola, and this is borne out by information available to the Mechanism, and by evident corporate connections between several of the companies under review.

203. Such a shadow system would explain two extraordinary facts. Eight of the diamond companies are recorded in the trade listings as selling rough diamonds, but they do not cut them, so that these diamonds must be sold on to a cutter. Yet diamond dealers in Antwerp and the High Diamond Council all say that they do not see illegal Angolan diamonds being traded on the Bourses. While this could be an easy way of denying the problem it is also a response received from several sources with different interests, and it does suggest that there are hidden systems for trading all illicit gems from Angola, not just those being mined by UNITA. Not all the dealers under review are thought to be involved in such a structure; in five cases, they are probably working for their own interests.

204. From analysis of the corporate structures and relationships of companies named to the Mechanism, it appears that the Antwerp and South African markets are two key points of sale or transit for embargoed diamonds, Israel being used as a laundering route for some imports. There is insufficient evidence at present to identify these companies.

205. Of the 16 companies under review by the Mechanism, all have diamond-trading offices in Antwerp, though not all are primarily Belgian companies. Twelve of them are known to have a history of buying diamonds from UNITA prior to the sanctions. Some companies have admitted this history, publicly or privately, or evidence exists of this. However, all the information the Mechanism has received relates to their activities in the last two years. Four of these 16 companies have related (shared directors) or subsidiary companies in South Africa. The Mechanism also has information about two companies and a diamond buyer who operate solely in South Africa. Three of the 16 have subsidiary or related companies in Israel.

H. The limits of diamond control systems

206. Control systems for diamond imports, and generic data on diamond-producing countries, provide some indicators on the trade in embargoed diamonds. However none of the systems can provide much evidence of the real activities of diamond companies thought to be involved in the trade. Diamond companies have historically not been expected to provide much information on their imports; for example a detailed breakdown of the contents of a parcel, which could help in narrowing its origins, is not requested. The Mechanism has been told that, if diamond companies are asked to provide too much information, they may simply move their business to a different trading centre. The range of information available from diamond offices is limited by commercial confidentiality. The Mechanism wishes to express its

appreciation to the Governments of Belgium and Israel for the detailed information provided on the certificate-of-origin schemes that are in place.

207. Belgium provides more data on diamond imports than any other diamond-importing centre, and is also the largest open-market importer of African diamonds. Concern on the part of the Government to stop the trade is manifest, but the capacity to do so is limited by a number of factors examined here.

208. The Mechanism has gathered information on the data-gathering procedures of diamond control systems in Belgium and Israel and was informed that systems were set up principally for controlling the compliance of diamond licensing systems with customs requirements, data-gathering for statistical purposes, and for any import tax requirements. These systems do not have the primary purpose of revealing any illicit trade.

209. Belgium and Israel operate similar importing systems. In neither centre is there the capacity to determine the origin of the diamonds, only to verify whether the diamonds come from a single source or several sources. The Mechanism learned that little information was required on invoices other than the names of the seller and the buyer, and the purported place of origin of the diamonds. This may be no more than "Kinshasa", for example. Invoices may be issued in Antwerp and Israel on import, so that there is in fact no necessary direct link between the invoice and the stated place of origin.

210. Nor it is a requirement in any diamond trading centre approached by the Mechanism that proof of legal export from the country of provenance be produced, except in the cases of Angola and Sierra Leone. The only requirement is for legal import into the country. At a meeting with officials of the South African Diamond Board, the Mechanism was told that South Africa would start importing diamonds only from recognized government diamond offices. The Mechanism has not been informed whether this has been implemented.

211. The Mechanism concluded that the principal route to finding evidence left open may be to track the middlemen and the couriers who move the diamonds, and bring in the dollars to buy diamonds. The middlemen are traceable. They may need visas; they may enter diamond-trading offices and be recorded doing so; they may have been registered as buyers in Angola or they may be arrested carrying illicit diamonds. In some cases, the chain of contacts from Angola to a diamond centre can be established. In other cases there is a chain of such middlemen, but the longer the chain, the more difficult it is to track. Because the links are international, and may well cross several borders, it is moreover very difficult for authorities in one country to trace them.

212. In the case studies developed on diamond companies violating United Nations sanctions against UNITA, the Mechanism had to work with information on the illicit trade provided by Angola. While the activities of some middlemen there can be established, tracks back to UNITA are much more difficult to find. Those who have previously admitted working with UNITA have said they try to leave no paper trail; and if small private planes or people enter UNITA territory to collect diamonds, there will be no record.

213. Despite the problems in finding documentary evidence of the activities of diamond companies, the Mechanism has been able to identify diamond dealers involved in violating resolution 1173 (1998), using the methodology outlined at the

beginning of this report. Dealers involved in this trade should no longer believe they have impunity. It is clear that identifying the trade and finding evidence requires an international approach to an international problem. The Mechanism has highlighted the lack of capacity in existing systems to fully identify the embargoed trade.

> The Mechanism has been able to identify one dealer in Antwerp that, according to the information and evidence gathered, appears to be implicated in illicit diamond trading with UNITA.
>
> Owing to the implications of this case and in compliance with the procedure adopted since the beginning of its work, the Mechanism will provide to the Government of Belgium all the findings and documentation and will request a thorough investigation.
>
> The outcome of the investigation will be given to the Security Council Committee. The Mechanism recommends that the material be published.

I. Diamond smuggling through Zambia

214. The Mechanism visited Zambia, inter alia, to follow up reports of embargoed Angolan diamonds being smuggled though that country. The Government of Zambia informed the Mechanism:

(a) That there is no illicit diamond market in Zambian territory and that the police had investigated reports of illicit diamond trading in Mongu, eastern Zambia without result;

(b) That no diamonds have been exported officially from Zambia since the end of 1998, and that any paperwork accompanying parcels that purport to emanate from Zambia must have been forged;

(c) That Zambia's borders are sufficiently well controlled, so that diamond smuggling from Angola is likely only through the refugee camps in Zambia;

(d) The Government has no information that leads it to believe that Zambia is being used as a UNITA-related or other smuggling route to larger diamond markets.

215. From February to May 2001, the Government of Belgium recorded diamond imports from Zambia totalling 35,614.17 carats, valued at $13.3 million, with an average carat value of $373.45, indicating high-quality gem diamonds, not the industrial quality diamonds that Zambia largely produces. The total imports into Antwerp were over 20 times more valuable than Zambia's entire officially recorded diamond exports from 1995 to 1998, which were said to be worth a total of $564,272.26.

216. According to the official Zambian export data given to the Mechanism during its visit, most diamond parcels were between 1 and 150 carats in size, with five

much larger parcels recorded. The average carat value for most of the parcels recorded was $100 or less, the lowest values being less than a dollar.

217. Those diamond parcels were said to have been dispatched from Kitwe by a named middleman. Following a preliminary investigation, the Government of Zambia has indicated that the companies alleged to have exported the diamonds are not registered in Zambia. The Government has requested the Belgian authorities to provide any information they may have with regard to the directorship of those companies and their possible addresses in Zambia.

J. South Africa

218. The Mechanism visited South Africa to discuss ways in which cooperation in identifying violators of resolution 1173 (1998) could be evolved. The Department of Foreign Affairs agreed to allow the Mechanism to conduct detailed interviews with, for example, Customs and the South African Diamond Board. The Government has provided information on requirements for trading in diamonds in South Africa, which is being analysed. This was received too late for inclusion in this report.

219. The Mechanism has provided the Government of South Africa with the names of some diamond dealers it has reason to believe are involved in sanctions violations, and has since gathered more information on another dealer.

220. The Mechanism is of the opinion that a serious assessment of diamond control measures and local diamond trading is required, to ensure that UNITA cannot sell diamonds in South African territory.

Correction

221. Contrary to the information contained in paragraph 76 of the Mechanism's previous report (S/2001/363), there is no person known as Ali Mackie Fouad Abess. Mr. Ali Mackie, who has never been known by name or nickname as Fouad Abess, does not have any relationship with Mohammed Azet. Mr. Ali Mackie, a Belgian citizen of Lebanese origin, is the owner and director of Mackie Diamonds in Antwerp. He does not possess a United States passport. He was neither arrested in, nor deported from, Angola. While Mr. Mackie had business interests in Angola prior to 2000, the Angolan authorities have not reported any investigation into his activities in Angola.

VI. UNITA finances and asset tracing

Summary

222. During the period under review, the Mechanism conducted investigations aimed at establishing the financial resources and network at the disposal of UNITA under Security Council resolution 1173 (1998), all Member States are required to freeze the funds and financial resources of UNITA or of its senior officials and their immediate adult family members held in those countries. This is the first time that the financial component of the sanctions regime is being seriously examined as a means of making the overall sanctions regime more effective.

223. The investigations have located certain assets held in the names of senior UNITA officials in six countries: Côte d'Ivoire, Ireland, Italy, Portugal, Switzerland and the United States of America. The three main categories of assets identified are bank accounts, real estate properties and business entities. Bank accounts of senior officials of UNITA and their businesses have been located at banks in Portugal and Switzerland. In the opinion of the Mechanism the bank accounts and business entities directly benefit UNITA and the existence of those assets was brought to the attention of the countries concerned. The countries were also requested to provide the Mechanism with detailed information on the financial and tax affairs of the individuals and the business entities. The information is needed to develop accurate financial profiles.

224. Furthermore, it has been established that offshore financial centres continue to play a major role as havens for UNITA funds and in facilitating financial transactions. This is particularly evidenced by the use of arms brokerage firms that are located in offshore financial centres to take advantage of certain practices in the centres. Specific lines of enquiry continue to be pursued concerning offshore accounts allegedly maintained by the UNITA network.

225. The Mechanism has also established that, since the announcement of sanctions, the UNITA network has experienced a decrease in liquidity. Travel restrictions have proved particularly important in this regard.

226. In the opinion of the Mechanism, without an adequate legal framework in each country, the effectiveness of financial sanctions is severely limited. The focus at present is on those countries in which the assets of senior officials are located and countries of interest to the Mechanism because, for example, they are important in UNITA operations and diamond trading. The countries contacted in this regard include Belgium, Côte d'Ivoire, Ireland, Portugal and Switzerland.

Working relationship with an asset-tracing firm

227. The activities of the Mechanism involved working closely with a firm that was contracted to trace the assets of UNITA. Following the guidelines set out by the sanctions Committee, the Mechanism supervised the work, ensuring that it met the objectives set by the Committee and the contract and focused on the list of senior UNITA officials and adult members of their families.

228. The firm has provided the Mechanism with three interim reports and a final report. Some of the material has been used in the present report. The firm is pursuing outstanding lines of enquiry, and Governments are being asked for their comments.

Methodology of the financial investigation

229. To conduct a full and thorough asset-tracing investigation, it is necessary to instigate numerous lines of enquiry, the nature of which necessitates a methodical and cautious approach to avoid compromising the investigation. Therefore enquiries concentrated on three broad categories of targets, namely, individuals on the list of senior UNITA officials and adult members of their immediate families who are or have recently been in control of UNITA finances; identified networks of smugglers of UNITA diamonds and arms; and other suppliers to UNITA.

230. During the course of the enquiries the sources of information accessed were information already available in the United Nations; public records in countries where investigations where conducted; and confidential sources.

Constraints

Countermeasures taken by UNITA

231. Since the imposition of the United Nations sanctions, UNITA and its support structures have taken measures to counter them. Besides the relocation of assets to more secure places, there has been a significant reduction in contacts between UNITA operatives, especially those openly identified with UNITA. The lessening of visible contacts between UNITA operatives is meant to blur the connection between the operatives and the UNITA financial network.

Information sources

232. In certain of the jurisdictions where investigations were conducted, the relevant information regarding an individual's assets was not available from public records. The absence of such information in the public records severely hampered the asset-tracing investigation. The Mechanism would need the cooperation of the Governments concerned in obtaining the missing information.

Time limit

233. A number of enquiries were instigated and a considerable amount of information has been collected. Some of the information however, is tentative, and the investigation would need to be pursued further to reach the level of evidence required and would take some time to complete. Moreover, responses from countries contacted had not been received at the time of writing of this report.

Findings relating to senior UNITA officials

234. The findings of the investigations into the financial networks of senior UNITA officials are given below. For the purposes of attempting to develop an accurate financial profile of each official, it has been necessary, at this stage of the Mechanism's work, not to draw a distinction between the officials and the business entities they operate.

235. Full details of the preliminary findings concerning senior UNITA officials believed to be holding funds on behalf of UNITA are provided in annex IV.

236. **Joffre Justino** (Portugal). It is clear from investigations conducted thus far that Portugal is central to the UNITA financial operations and that Joffre Justino is an important figure in this network. This is particularly illustrated by the fact that he was responsible for the funding of the Commission for Justice, Peace and Reconciliation in Angola, an organization with links to UNITA (see also para. 62). It has been established that Justino has personal accounts at three banks in Lisbon. It has also been established that he is the registered owner of the property he currently resides in at Lisbon.

237. Information obtained indicates that he is associated as a director or shareholder with nine companies in Portugal. These companies are clearly linked to CJPRA. The telephone and facsimile numbers of the CJRPA in Portugal are also used by some of

Joffre Justino's companies and all, with the exception of one, operate from the same address in Lisbon. Bank accounts belonging to some of these companies were located at seven banks in Portugal. The Mechanism strongly believes that these companies are being used to pay subsistence, welfare and bridging finance to various UNITA figures.

238. The existence of bank accounts and companies belonging to Justino has been brought to the attention of the Portuguese authorities, who were also requested to provide information on the financial and tax affairs of Justino and his companies. The information is needed to develop a complete profile of Justino and his business entities. This information is awaited.

239. **João Vahekeni** (Switzerland) is a prominent figure in the UNITA Commission for Justice, Peace and Reconciliation in Angola. He is fairly well informed about UNITA operations and has been important in controlling their finances and making payments to various UNITA figures, suppliers etc. However, as part of the countermeasures taken by UNITA in response to sanctions, Vahekeni's level of access has decreased.

240. The search conducted on Vahekeni revealed that he is a shareholder and director in two companies, registered and operating in Switzerland. A bank account in the name of one of the companies has been located at a bank in Bern, Switzerland. These findings have been brought to the attention of the appropriate authorities in Switzerland, who have also been requested to provide detailed information on the financial and tax affairs of Vahekeni and his two companies. The information is needed to develop an accurate financial profile of Vahekeni.

241. **Leon Dias** (Ireland) is based in Dublin, and has been identified as extremely important to UNITA as a supplier of satellite and other communication capability such as Internet. The search conducted on Dias has established that he does not have an obvious source of income and that the company listed as his employer is dissolved, yet he has a relatively affluent life style. The search has also established that Leon Dias is the registered owner of the residential property he is currently occupying in Dublin. To develop an accurate financial profile, the Mechanism has asked the Irish authorities to supply information on Leon Dias' financial and tax affairs.

242. **Jorge Marques Kakumba** (Côte d'Ivoire) was until recently very important as the organization's procurer of arms and controller of finances. The search conducted on Kakumba revealed that he is the beneficial owner of a substantial part of the equity of a company called Vansco in Côte d'Ivoire. The company is in the business of freight and forwarding and he is its only registered director. The Mechanism has brought the findings to the attention of the authorities in Côte d'Ivoire. To complete his financial profile additional information on the financial and tax affairs of Kakumba's company has been requested from the authorities.

243. **Adalberto da Costa Jr.** (Italy) played a key role in controlling UNITA finances. His level of access has decreased in recent years owing to Savimbi's concerns about the United Nations sanctions and his preference that people openly identified with UNITA maintain a low profile. Searches conducted on Da Costa Jr. in Italy show that neither he nor members of his immediate family are linked to any corporate entities in Italy. It was however established that he is the registered owner of the property he is currently occupying in Rome.

244. **Jardo Muekalia** (United States of America) is based in Washington, D.C. The search conducted on Muekalia has revealed that he is the registered owner of a property in northern Virginia.

245. **Azevedo Kanganje** (Brussels) heads Casa de Angola, another organization with links to UNITA (see also paras. 57-59). Kanganje is well connected with diamond buyers in Antwerp. His main role therefore is said to be coordinating the sale of UNITA diamonds in Belgium. Despite the appearance of relative comfort and wealth, Kanganje is unemployed and is claiming welfare in Belgium. This discrepancy continues to be investigated.

Findings relating to specific lines of inquiry

Bank accounts of UNITA

246. Specific lines of enquiry continue to be pursued concerning offshore accounts allegedly maintained by the UNITA network in offshore centres and other jurisdictions. So far, it has been established that suppliers and traders often utilize offshore accounts and complex financial arrangements to make payments to UNITA. The Mechanism has also learned that UNITA officials deposit the money into their own offshore bank accounts without the knowledge of Jonas Savimbi.

247. A bank account allegedly held for the benefit of Jonas Savimbi was located in Investec Bank (Jersey) Limited and another in Banco Mello in Portugal. The Mechanism has requested the Governments concerned to provide additional information on the accounts, though information is available about the account names and account numbers.

Trusts

248. Reports have been received from confidential sources that Savimbi has entrusted large sums of money to named individuals who are supposed to keep the funds in trust for him. The information is, however, tentative and is being corroborated so as to provide an acceptable level of evidence. However, Jonas Savimbi should not logically be expected to possess large quantities of currency or to maintain bank accounts elsewhere in his name.

Non-UNITA officials

249. There are reports too that a number of named individuals continue to trade in UNITA diamonds or supply arms to UNITA in violation of the United Nations sanctions. The reports are still being analysed and corroborated.

Outstanding matters

250. The following actions are still required:

(a) A review of country responses, to develop financial profiles on targeted individuals that are clear and acceptable to Governments as the implementing agents of the United Nations sanctions;

(b) Further pursuit of existing leads and other specific lines of enquiry concerning bank accounts of UNITA and its senior officials in offshore centres and other jurisdictions;

(c) Continued monitoring and evaluation of the actions taken by Governments on cases brought to their attention.

VII. Measures aimed at improving the effectiveness of the sanctions

251. In general terms, the Monitoring Mechanism notes that many countries have incorporated the prohibitions contained in resolution 1295 (2000) in administrative and regulatory measures aimed at effectively implementing the sanctions. Among measures taken at the national level, the establishment by the Government of Burkina Faso of the Haute Autorité pour l'importation et l'utilisation des armes is noteworthy.

252. It is further observed that, with a few exceptions, the measures aimed at enacting legislation to make the violation of Security Council sanctions a criminal offence are very limited. On the other hand, Africa's subregional and regional organizations have taken significant measures.

A. Initiatives of the Southern African Development Community

253. The Security Council in resolution 1295 (2000) requested the SADC member countries to consider the introduction of measures designed to address three areas of the sanctions regime: (a) strengthening air traffic control systems for the purpose of detecting illegal flights; (b) prevention of the diversion of petroleum and (c) diamond smuggling. The Mechanism has maintained continuous contact with the SADC Executive Secretariat so as to keep abreast of developments regarding the implementation of measures. Pursuant to resolution 1295 (2000), SADC has taken action in the following areas.

254. **Transport and communications**. The members of SADC, at their meeting held on 15 June 2001 in Malawi, approved a project on Mobile Radar Systems for the Detection of Illegal Flights across National Borders. They are currently finalizing the terms of reference for engaging consultants to undertake a study on the mobile radar system for the SADC region. They will be consulting and seeking assistance from the International Civil Aviation Organization and the European Union on how best to implement the project. In addition, they approved, in principle, the concept of establishing a SADC Upper Airspace Control Centre as an initial stage in the integration of the air traffic services of member States.

255. **Supply of petroleum**. The SADC Ministers of Energy, at their meeting on 8 June 2001 at Kinshasa, set up a task force charged with formulating a strategy and resource requirements to stop the supply of petroleum products to UNITA. The Task Force was given two months to complete its assignment.

256. **Conflict diamonds**. The members of SADC considered the issue at their meeting of 29 June 2001 in Luanda, and reaffirmed their commitment to supporting the Kimberly Process. The ministers endorsed a "road map" agreed upon during a preparatory meeting held at Windhoek in April 2001. The road map sets out a series of focused activities and meetings of experts to develop various aspects of the envisaged international certification scheme for rough diamonds. The output of the expert meetings will be tabled for consideration by a ministerial meeting to be held

in November 2001 at Gaborone. It is expected that the ministerial meeting will approve the international certification scheme and make appropriate recommendations to the General Assembly at its fifty-sixth session.

257. The Mechanism stresses the importance of supplementing SADC efforts in mobilizing resources for the implementation of the projects and measures described.

B. Initiatives of the Organization of African Unity/African Union

258. The African Union has, in a series of resolutions adopted by its leading organs, strongly affirmed its support for the Security Council sanctions against UNITA and its commitment to achieving peace and stability in Africa in general and Angola in particular. OAU/AU has also established an Ad Hoc Committee (see annex V) with the task of monitoring sanctions against UNITA.

259. The Mechanism held a working session in New York with the members of the African Union working group in order to exchange views.

VIII. A view to the future

260. The experience of the Monitoring Mechanism on Sanctions against UNITA has shown that there is a need for establishing a permanent capability of the Security Council to ensure ongoing monitoring of targeted sanctions regimes and illicit trafficking in high-value commodities in armed conflicts.

261. Such a new unified facility under the authority of the Security Council would maintain the political momentum gained in recent years on the question of sanctions enforcement and in the fight against the illicit trafficking fuelling armed conflicts. It would be cost-effective, and would avoid duplication of tasks and overlapping of investigations and ensure the preservation of a comprehensive database as well as its systematic and continuing processing. It would also permit the establishment of permanent and fruitful working relations with technical and regional organizations such as Interpol, ICAO, SADC, ECOWAS, OAU, the Wassenaar Arrangement and the World Customs Organization, all of which are essential partners in an effective implementation of sanctions.

262. In the case of Angola, a monitoring capacity has been in place since July 2000. Any gap in the monitoring process would afford a respite to sanctions violators and would be detrimental to the effectiveness of sanctions. The monitoring of illicit trafficking in high-value commodities involved in armed conflicts of which the Security Council is seized is intrinsically related to the question of sanctions monitoring. The lack of enforcement of sanctions and embargoes and the perpetuation of illicit trafficking have the same negative impact on the perpetuation of conflicts. Experience and data accumulated by the various panels of experts appointed in the past two years have shown that sanctions violations and illicit trafficking involve the same patterns of illegal activities and similar criminal networks.

263. A permanent monitoring capability will also strengthen the enforcement of sanctions, because it will act as a deterrent to potential violations. In this regard, the Mechanism has been able to appreciate the importance of this function and its

positive effect. This also sets the ground for obtaining the cooperation of States in complying with the sanctions.

264. Finally, another very important issue is the status of the recommendations included in the report presented by the Mechanism on 21 December 2000 (S/2000/1225 and Corr.1 and 2). The consideration and further implementation of those recommendations by the Security Council will enable the Member States to take appropriate action to address the situation, for the better enforcement of the sanctions.

IX. Concluding remarks

265. It is clear that the task has not yet been completed, since not only are investigations still pending but monitoring and deterrence cannot be ended until such time as the Security Council's ultimate objective, which is peace in Angola, is achieved.

266. A systematic outreach to the countries of the region aimed at winning their support for isolating UNITA and depriving it of its nearest support bases is the most effective diplomatic means of forcing its leaders to see reason and return to the peace process.

267. At this critical juncture in the situation in Angola, therefore, the international community, which has invested so much of its resources and efforts in the search for peace, cannot drop its guard and send an equivocal signal to the rebel movement, which continues its pursuit of power through armed struggle.

268. To be credible, the appeals for dialogue which UNITA has been making for some time now must necessarily be accompanied by positive steps to renounce violence and by a tangible expression of a genuine desire for peace. Regrettably, earlier experiences are still fresh in the mind, and the review of the sanctions upon which UNITA has been insisting can be considered only when the process towards a peaceful settlement of the conflict becomes irreversible.

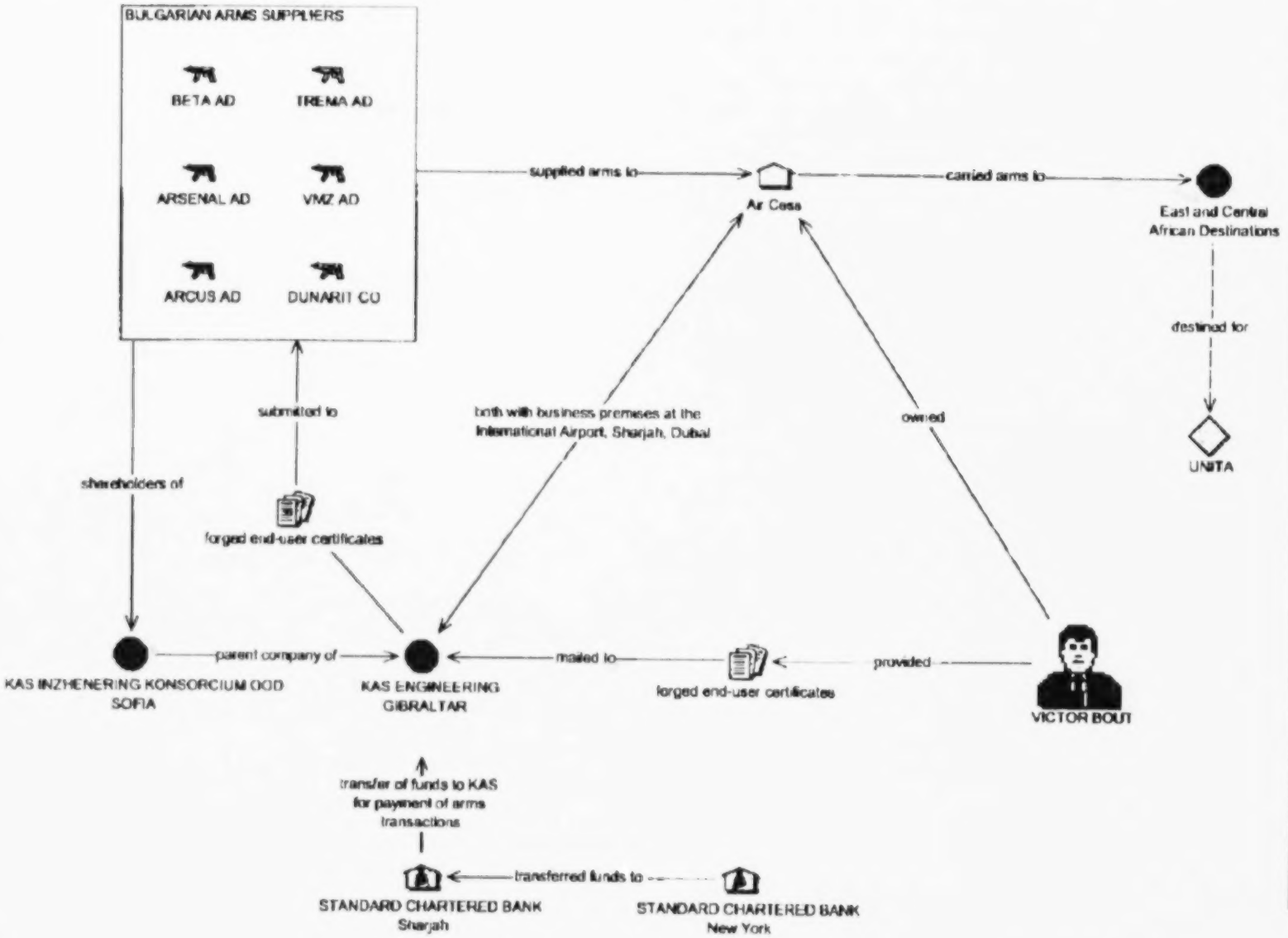
269. Until this happens, the international community must remain vigilant to ensure strict compliance with the sanctions and make a concerted effort to close all possible loopholes which UNITA may seek to exploit in order to expand its diminished military capacity and retain a presence abroad.

270. It is also important to maintain contacts with those regional and international organizations that are already acquainted with the situation and which have provided valuable cooperation, within the limits of their capabilities, to the work of the Mechanism.

271. Concerted action on all fronts will therefore be crucial to realizing the common aspiration of peace and reconciliation in Angola in the — it is to be hoped — not too distant future.

Annex I

Arms transactions involving Victor Bout from 1996 to 1998



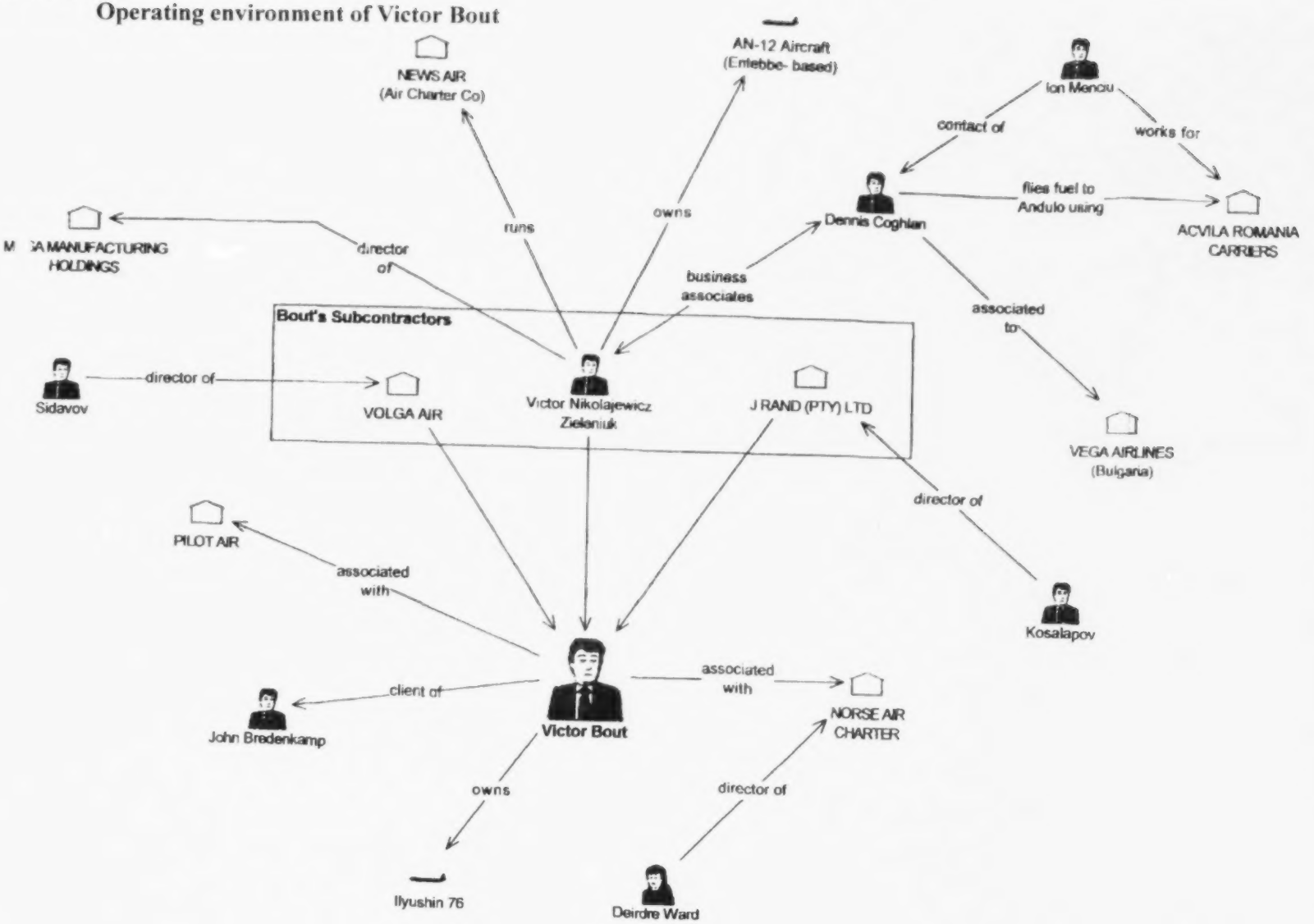
Annex II

Weapons confiscated by the Angolan armed forces from UNITA

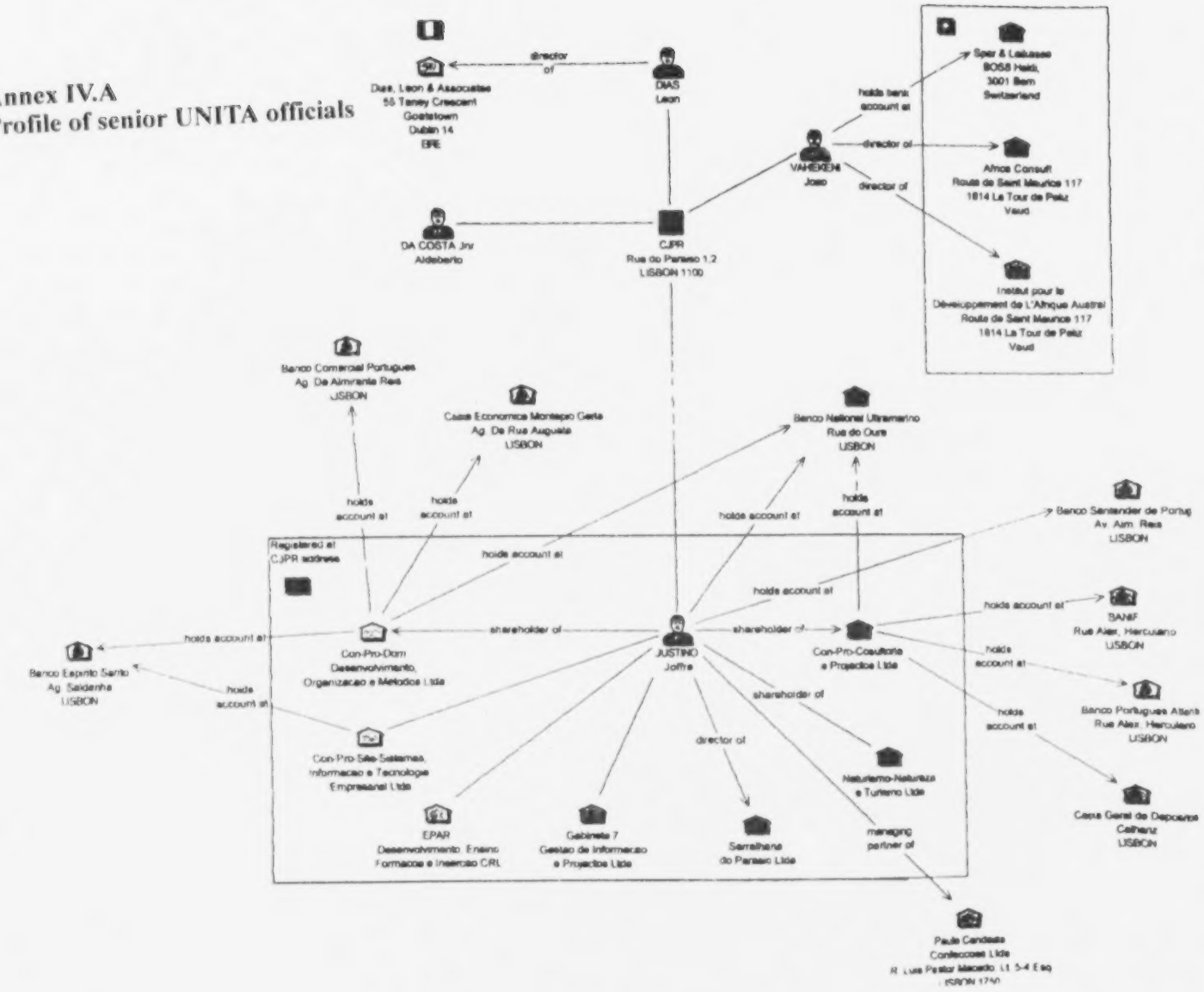
Date	Quantity Stored	Coordinates	Weapons Caches
22.01.2001	1	30/120 Kms from Menongue (K Kubango)	9 missiles RPG-22, 40 mines M/60 mm 17 holders of ammunitions Mcoe mod-09 20 holders of ammunitions Mcoes mod-43
08.02.2001	1	35/19 Kms from Calucinga (Bie)	153 Cx Mcoes de 5.45 mm
12.02.2001	1	308/20 Kms from Rito (K Kubango)	21 AKM, 10 mines A/P, 1 E/R Racal 1 Conversation Code
18.02.2001	1	11/30 Kms from pista of Cuemba (Moxico)	63 Cx Mcoes ZU-23 mm
07.05.2001	1	89/100 Kms from pista of Cangonga (Mox)	7 holders of ammunitions Mcoes VOG-17, 20 mines M/60 mm, 33 Hand Grenades
10.05.2001	1	29/18.5 Kms from Calucinga (Bie)	25 holders of ammunitions Mcoes 5.45 mm, 30 mines M/120 mm
			5 AKM, 10 RPG-7, 5 Cx Mcoes mod-08, 7 Cx Mcoes mod-
10.05.2001	1	30/43 Kms from Cuemba (Bie)	45.50 mines M82 mm, 80 mines M/60 mm
10.05.2001	1	Around Mavinga (K Kubango)	2 C/106 mm, 7 M/120 mm, 6 V-21, 6 cans C/100 mm, 1 mechanism 14.5 mm, 2 tapes, 14.5 mm, 20 cannons div 100 OG-9, 100 mines M/60 mm, 580 mines C/D-30, 1500 mines C/B-10, & 2 vehicles Samil 50 destroyed
11.05.2001	1	Around Mavinga (K Kubango)	22 mines M/120 mm, 100 mines M/60 mm 250 mines M/81 mm, 400 PG-7
15.05.2001	1	62/15 Kms from Mavinga (K Kubango)	250 mines M/81 mm, 300 mines T-55, 400 mines PG-7 580 mines C/D-30, 1500 mines M/120 mm
15.09.2001	3	157/124 Kms from Munhango	100 AKM, 100 PKM, 100 RPG-7, 10 Cx mines M/60 mm 10 Cx mines M/82 mm, 10 Cx projectile M/100 mm, 10 Cx Mcoes ZU 23, 10 Cxs Mcoes, 14.5 mm, 15 Cx Mcoes mod-08, 15 Cx Mcoes mod-43
25.09.2001	1	240/25 Kms from Lutembo (Moxico)	2 M/81 mm, 2 M/82 mm, 7 M/60 mm, 8 PKM, 14 RPG-7, 5 dilagram, 5 missiles A/T, 33 bronze detoner, 33 explosive detoner, 70 meters of explosive detoner
27.09.2001	2	110/30 Kms from pista of Mavinga	C/20 M/81 mm, 18 M/60 mm, 3 C/B-10, 12 cannons B-12, 14 Cxs dilagram G-3, 16 mines A/T, 40 PKT, 23 cannons ZU- 23 mm, 180 proj de C/106 mm, 12 explosive machines 12 Cxs Mcoes de 23 mm, 6 Cxs M/coes 14.5 mm, 2 Cxs de block TNT, 7 Cxs M/coes G-3 & 30 projectile B-12 (K Kubango) 3o/18o Ri

An ex III

Operating environment of Victor Bout

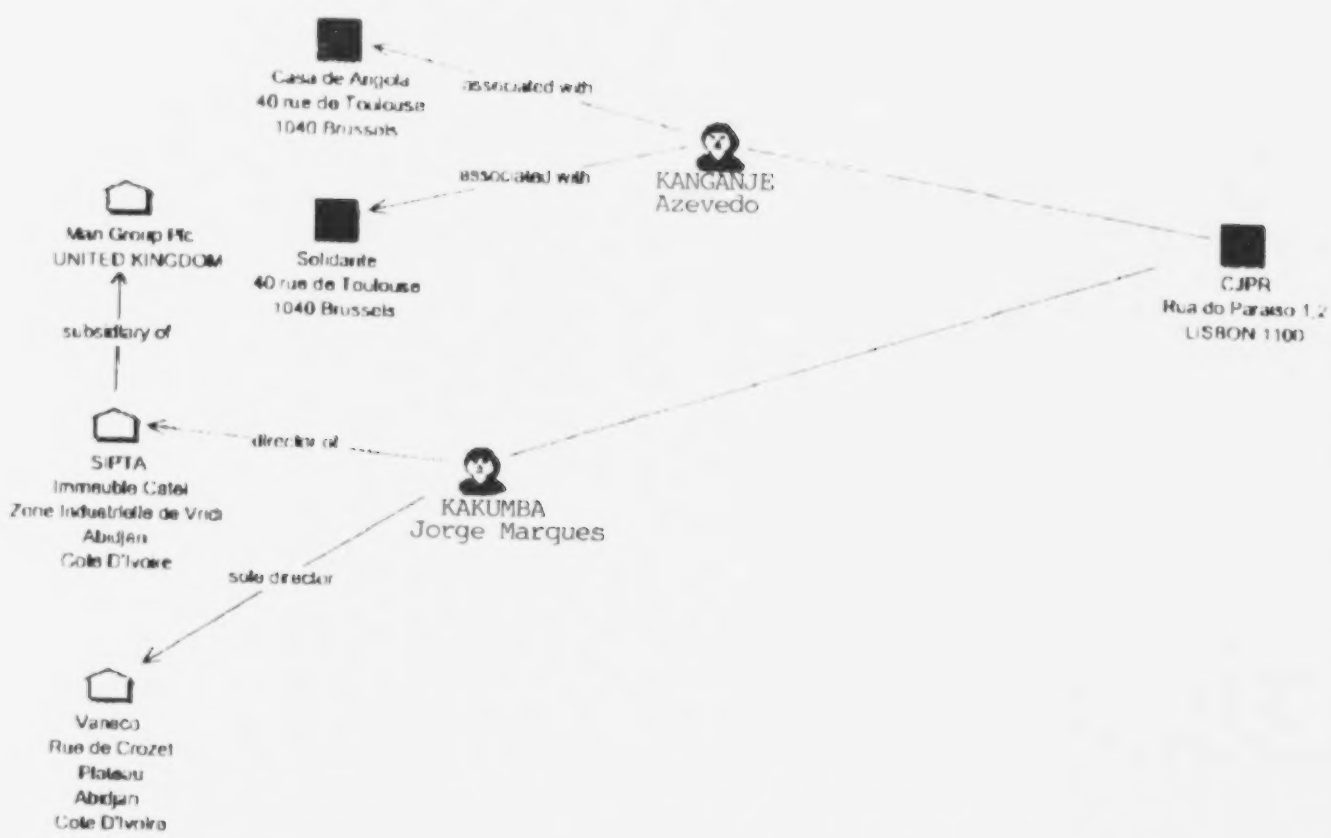


Annex IV.A
Profile of senior UNITA officials



Annex IV.B

Profile of senior UNITA officials



Annex V

Activities of the Organization of African Unity Ad Hoc Committee on the Follow-up of the Implementation of Sanctions against UNITA since July 2000

Letter dated 8 October 2001 from the Permanent Observer of the Organization of African Unity to the United Nations addressed to the Chairman of the Monitoring Mechanism

At the request of H. E. Mr. J. K. Shinkaiy, mni, Chairman of the OAU Ad Hoc Committee, I have the honour to transmit herewith the report on the activities of the OAU Ad Hoc Committee on Sanctions against UNITA.

(*Signed*) Amadou **Kebe**
Ambassador
Permanent Observer

ORGANISATION OF AFRICAN UNITY ORGANISATION DE L'UNITE AFRICAINE
Addis Ababa, ETHIOPIA P. O. Box 3243 Telephone 517 700 Cables: OAU, ADDIS ABABA

ACTIVITIES OF THE OAU AD HOC COMMITTEE ON THE FOLLOW-UP OF THE IMPLEMENTATION OF SANCTIONS AGAINST UNITA SINCE JULY 2000

INTRODUCTION

In the light of the persistent violation of the Lusaka Protocol of 1994 signed between the Government of Angola and UNITA, the repudiation by Mr. Jonas Savimbi and UNITA of the terms of the agreement, the untold violence and criminal acts perpetrated by the rebel movement against innocent civilian populations resulting in an estimated three million refugees and internally displaced persons as well as the critical humanitarian situation prevailing in the Central and Southern African regions, the UN Security Council in its resolutions S/864/93, S/1127/97 and S/1173/98 decided to impose sanctions against UNITA and its leadership. These resolutions were particularly focused on sanctions against the illicit trafficking of diamonds and the purchase of petroleum and petroleum products that will enable the rebel movement acquire arms and facilitate movement in the perpetration of criminal acts. After six years of relentless efforts, the UN Security Council in its resolution S/1237/99 decided to set up a Sanction Committee charged with the monitoring of the implementation of Sanctions against UNITA and its leaders. The outcome of the work of the Panel of Experts appointed to investigate sanctions violations, resulted in the "Fowler Report", which cited some OAU Member States amongst countries that are violating the embargo against UNITA and also motivated the Security Council to adopt resolution S/1295/2000.

II. ESTABLISHMENT OF THE OAU AD HOC COMMITTEE

2. It was therefore in support of the just cause of the people of Angola and to promote all regional and international initiatives for the establishment of durable peace, stability and development in Angola, that the OAU Council of Ministers meeting at its 72nd Ordinary Session in Lome, Togo, in July 2000 adopted Decision CM/Dec.521(LXXII)Rev.1 which, amongst others, reiterated its firm support and total commitment to the pertinent resolutions of the UN Security Council on Angola; condemned the premeditated violations by some Member States of the Sanctions imposed on UNITA and strongly appealed to them to immediately and unconditionally put an end to such acts which only encouraged the escalation of the war in Angola; and called upon the UN Security Council to impose immediate additional sanctions against UNITA as provided for under Article 41 of the UN Charter.

3. The Council also decided to set up an Ad Hoc Committee to evaluate the implementation of the UN Security Council Resolution S/1295/2000, which had not only set up a Mechanism for monitoring and enforcing sanctions against the rebel movement, but also paved the way for additional sanctions against UNITA and further action against those who violate the sanctions. The Decision underscored in particular the sanctions contained in Chapters A, B, C, D, E, F and G and to report to the next session of the Council of Ministers on the status of implementation by Member States.

4. Pursuant to Decision CM/Dec.521(LXXII)Rev.1 and following consultations within the African Diplomatic Corps in Addis Ababa, the composition of the Ad Hoc Committee was established at its inaugural meeting, held on 22 December 2000, in Addis Ababa, as follows:

- Algeria
- Equatorial Guinea
- Madagascar
- Namibia (Rapporteur)
- Nigeria (Chairman)

5. The Terms of Reference and Initial Programme of Work established by the Ad Hoc Committee is as follows:

a) **Terms of Reference**

- Consultations with the UN Committee on Sanctions against UNITA established by the UN to control and facilitate the application of sanctions against UNITA;

- Consultations with the Government of Angola, the neighbouring countries and some Member States on the status of the implementation of sanctions against UNITA, as stipulated in UNSC Resolution S/1295/2000;

- Submission of its report to the 73rd Ordinary Session of the Council of Ministers, February 2001.

b) **Programme of Work of the Ad Hoc Committee**

- Transmission of a letter to the President of the UN Committee on Sanctions in order to obtain up-to-date information on the status of the implementation of UNSC Resolution S/1295/2000;

- Transmission of a note verbale to all Member States requesting them to provide reports on the status of implementation by them, of the said Resolution S/1295/2000;

- Convening of a meeting of the Committee to examine the status of implementation on the basis of information received;

- Programme of visits in Luanda (Angola) and New York (USA) to discuss and exchange views with Officials of the Government of Angola, in order to hold consultations with the officials of the UN and Gaberone, Botswana to discuss with officials of the SADC;

- Conduct consultations with the Representatives of Member States in Addis Ababa, especially, those of the countries concerned;

- Programme of consultative visits to the capitals of some OAU Member States indicated as in violation of sanctions imposed on UNITA and its leadership.

III. ACTIVITIES OF THE AD HOC COMMITTEE

6. The Ad Hoc Committee held its 2nd meeting in Addis Ababa, Ethiopia, on 26 January 2001, in order to evaluate preliminary measures taken, information received on progress in the implementation of the sanctions against UNITA and to further plan its programme of work. Angola participated in the meeting, in an observer capacity.

7. At the conclusion of its deliberations, and in order to build-up its data collection process on the status of the application of Sanctions on UNITA by Member States cited in the "Fowler Report" of 10 March 2000, the Ad Hoc Committee requested the Angolan authorities to make available all pertinent information related to:

- proof that some OAU Member States were still in violation of the spirit of the UN Resolutions on Sanctions against UNITA;
- proof of specific action undertaken to "block" the illicit trafficking of "Conflict" diamonds from Angolan territory; and
- proof attesting to the fact that appropriate measures have been taken to "stem" the flow of fuel and petroleum products as well as arms to the UNITA rebels on Angolan national territory.

8. The Ad Hoc Committee also took note of the fact that since 2 January 2001 when all Member States were requested to submit Status of Implementation Reports on UNSC Resolution S/1295/2000 by their respective governments, only Ethiopia, Burkina Faso, Togo and Algeria had responded. As the majority of Member States had not submitted their reports, it was decided that the Secretariat should send reminders to the countries concerned.

9. In compliance with Council Decision CM/Dec.521(LXXI)Rev.1, the Ad Hoc Committee presented an interim report to the 73rd Ordinary Session of the Council of Ministers in February 2001, in Tripoli, Libya. The Report, amongst others, informed on the composition of the Committee, its mandate, terms of reference, method of work and proposed programme of action as well as the status of implementation of UN Sanctions against UNITA by Member States. It also informed on contacts established by the Chairman of the Ad Hoc Committee with his counterpart, the Chairman of the UN Monitoring Mechanism on Sanctions against UNITA requesting information on the status of implementation of UNSC Resolution S/1295/2000, including the list of Senior UNITA Officials and their Immediate Adult Family Members.

IV. CONSULTATIVE MISSIONS UNDERTAKEN BY THE AD HOC COMMITTEE

10. During the period since its establishment, the OAU Ad Hoc Committee on Sanctions against UNITA has undertaken the following consultative visits in fulfillment of its mandate and in the search for comprehensive information on the implementation of Sanctions against UNITA by Member States.

a) Visit to Angola

- During its stay in Angola, from 22 to 26 March 2001, the Ad Hoc Committee Delegation was successively received by the Minister of External Affairs, the Minister of Assistance and Social Reintegration, the Minister of Geology and Mines and his Vice-Minister in charge of Geology, the Vice-Minister of National Defence, the Minister of Social Communications and the Chief-of-Staff of the Angolan Armed Forces. The Delegation was also received by the President of the Republic of Angola, H.E. Mr. Jose Eduardo Dos Santos.

- The Delegation carried out a wide exchange of views with high-level Angolan authorities and was encouraged by the frankness of the Minister of External Affairs in their deliberations, who had also suggested that members of the Committee endeavoured to meet not only government officials, but other sectors of Angolan Society. The Delegation met and exchanged views with former combatants of UNITA, now integrated into the Angolan Armed Forces (FAA), former prisoners of war and others.

- In the discussions with the President, he expressed solidarity with the OAU and strongly supported the imposition of UN Sanctions on UNITA and its leadership in order to stop its criminal activities against the people of Angola. The Delegation briefed the President on the pertinent questions raised during the exchanges with the competent authorities and other personalities. The President in turn, expressed his point of view on the ongoing process and congratulated the OAU on this new initiative.

b) **Visit to the SADC Secretariat**

- The OAU Ac Hoc Committee delegation visited the Headquarters of SADC in Gaberone, Botswana on 29 March 2001 and held fruitful discussions with the Executive Secretary of SADC. The discussions focused not only on the enquiry vis-a-vis the status of the implementation of UNSC Resolution on Sanctions against UNITA and the report of the Monitoring Mechanism, but also on questions raised by the Angolan authorities concerning the role of countries of the SADC itself in the ongoing conflict in Angola.

c) **Visit to UN Headquarters in New York (USA)**

- The Ad Hoc Committee Delegation visited UN Headquarters in New York, USA, from 13 to 17 April 2001. Preliminary contacts had been established between the President of the Sanctions Committee of the UN Security Council and the OAU Delegation on 25 March 2001, in Luanda, Angola. The two parties had identified the need to prepare the ways and means of collaboration, in order to restore peace and security in Angola. During its visit to New York therefore, the Delegation successively met with the Non-Aligned Movement (NAM) Caucus, the UN Under-Secretary General and Special Advisor for Africa, the Chairman of the Monitoring Mechanism on Sanctions against UNITA, the Chairman of the African Group and the Coordinators of the African regions, the President of the UN Security Council, the President of the Sanctions Committee of the UN Security Council and the UN Assistant Secretary General in charge of Political Affairs.

- The Ad Hoc Committee Delegation also exchanged views on different issues between the OAU and the UN and problems relating to sanctions against UNITA and concerned African countries. In order to ensure an active collaboration between the parties, the Delegation also submitted a questionnaire to the Monitoring Mechanism on Sanctions against UNITA so as to obtain further information that could not be discussed orally, owing to time constraint.

V. PROGRESS REPORT OF THE AD HOC COMMITTEE TO THE 74TH ORDINARY SESSION OF THE COUNCIL OF MINISTERS, LUSAKA, ZAMBIA

11. In its progress report to the 74th Ordinary Session of the Council of Ministers in July 2001 in Lusaka, Zambia, the Ad Hoc Committee appraised Council of the ongoing work of the Committee. The Committee noted that in general, OAU Member States have endeavoured to apply the UN Sanctions. It however regretted that a number of countries, including OAU Member States and International

Institutions continue to host UNITA Officials and support the movement in undermining the Sanctions.

12. The Committee also observed from its missions, that there are now positive developments in the relations between Zambia and Angola, which together with Namibia have established a tripartite border commission to monitor activities along their common borders, as well as other measures taken by many Member States to monitor the movement of diamonds. However, the Committee expressed concern in the following areas:

- UNITA still enjoys in one form or another, support of some African countries, and a number of African businessmen, for profit motive, but without the support of their governments;

- the case of some African countries suspected of violating the sanctions which had hitherto, not been named in the Fowler Report and in the monitoring Mechanism. This calls for investigations in order to verify whether these allegations are true or not and if they are found to be true, appropriate measures should be taken to put a stop to this type of support;

- the persistent trafficking of diamonds by UNITA through some countries, though this is going on without the support or knowledge of the countries concerned;

- the offices of UNITA continue to function under different names. Well identified agents of UNITA continue to enjoy the freedom of movement in certain countries of Europe and America and in other places in the world, especially, in Portugal, Belgium, France, Ireland and the United States of America. These movements can only help UNITA to compensate for the loss of support in Angola and in Africa and could lead to a prolongation of its guerilla activities. These countries should extend greater cooperation in implementing United Nations Sanctions against UNITA.

13. Following consideration of the progress report of the Ad Hoc Committee on Sanctions against UNITA, Council adopted Decision CM/Dec.596(LXXIV) which inter-alia expressed satisfaction with the work accomplished by the OAU Ad Hoc Committee on the follow-up of the Sanctions imposed against UNITA and urged Member States to fully cooperate with the Committee, especially by providing relevant information and complying with the Sanctions against UNITA. It also extended the mandate of the Committee and requested it to pursue its efforts in conformity with the recommendations contained in its report to Council.

VI. PROJECTED PROGRAMME OF ACTIVITIES OF THE AD HOC COMMITTEE

14. The Ad Hoc Committee on Sanctions against UNITA intends to pursue its consultative and fact-finding missions to six West African Countries, as well as some countries in southern Africa. The Committee envisages two separate visits to West Africa, possibly in October and November 2001 and to Southern Africa later in the year or in January 2002.

15. The purpose of the visits will, in accordance with the terms of reference and programme of work of the Ad Hoc Committee, be to hold consultations with the competent authorities of the countries concerned. Moreover, the Ad Hoc Committee will seek information on the status of the implementation of Sanctions against UNITA by those countries, as defined in the pertinent UNSC Resolutions, in particular, UNSC Resolution S/1295/2000 on Sanctions against UNITA.

16. Additionally, in order to ensure that adequate information on the implementation of Sanctions against UNITA and its leadership is made available to the Ad Hoc Committee, reminders have been sent to all Member states to submit implementation reports to the Secretariat. The Government of Angola has also been requested to furnish the Committee any new information available to it on the alleged involvement of three new countries collaborating with UNITA for use by the OAU Ad Hoc Committee on Sanctions during its envisaged mission to some African countries. Meantime, the Government of Cote d'Ivoire has informed that as part of the implementation of sanctions imposed by the UNSC on UNITA, since 30 June 2001, it has withdrawn the Ivorian diplomatic passports issued to some UNITA leaders living in its territory and assured that the Cote d'Ivoire would never allow its territory to be used as a rear base to destabilize Angola.

17. The Ad Hoc Committee will continue to work with SADC, which set-up during its last Summit in Malawi, a Committee to ensure the implementation of sanctions by its Member States. Similarly, it intends to work closely with ECOWAS for the same purpose.

VII. CONCLUSION

18. The efforts to restore lasting peace in Angola continue to be fraught with difficulties. However, with respect to its mandate, it is envisaged that before the next meeting of the Council of Ministers in February 2002, the Ad Hoc Committee would have made sufficient progress in its fact-finding missions to Member States, that will enable it to determine the effectiveness of the measures taken and the status of implementation of the Sanctions against UNITA and its leadership. In that regard, the Ad Hoc Committee will also intensify its efforts both at the level of OAU Member States and other countries/parties concerned in order to dissuade them from extending any further support to UNITA and its officials, so as to ensure peace in Angola.

19. The Ad Hoc Committee looks forward to the continued close and positive working relationship with the UN Monitoring Mechanism on Sanctions against UNITA; the exchange of information on sanctions violations and progress in the monitoring of the Sanctions regime against UNITA and its officials.

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English
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Letter dated 8 October 2001 from the Permanent Representative of Belgium to the United Nations addressed to the Secretary-General

I have the honour to draw your attention to the statement of the General Affairs Council of the European Union issued on 8 October 2001, on behalf of the European Union, on action against the Taliban following the terrorist attacks in the United States (see annex).

I should be grateful if you could arrange for the text of this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jean **De Ruyt**
Permanent Representative

01-58020 (E) 151001 151001

Annex to the letter dated 8 October 2001 from the Permanent Representative of Belgium to the United Nations addressed to the Secretary-General

[Original: English and French]

Statement of the General Affairs Council of the European Union issued on 8 October 2001, on behalf of the European Union, on action against the Taliban following the terrorist attacks in the United States

The European Union (EU) declares its full solidarity with the United States of America and its wholehearted support for the action that is being taken in self-defence and in conformity with the Charter of the United Nations and Security Council resolution 1368 (2001). The terrorist attacks of 11 September 2001 are an assault on our open, democratic, tolerant and multicultural societies and are regarded by the Security Council as a threat to international peace and security. The Heads of State and Government of the European Union made clear on 21 September that a riposte to those barbaric acts would be legitimate. Member States have confirmed that they stand ready to act each according to its means. The European Union remains in close consultation with the United States.

All the information points clearly and convincingly to the responsibility of Osama bin Laden and the al-Qa'idah network for the 11 September attacks. A month later, and despite repeated pressure, the Taliban regime has refused to take responsibility for handing over those suspected so that they could be brought to justice. The al-Qa'idah network and the regime that supports and harbours it are now facing the consequences of their action.

The European Union stresses that the carefully targeted action launched on 7 October is an attack neither against Islam nor against the people of Afghanistan, whom the European Union is determined to support and sustain. The European Union and its member States are responding urgently to the humanitarian crisis in and around Afghanistan and have already decided to make available 316 million euros. The Afghan people deserve a government that is truly representative and that responds to their needs and aspirations. Such a government will find a ready partner in the European Union. The European Union believes that the role of the United Nations in this respect is essential.

The military action being taken is one part of a wider multilateral strategy in which the European Union is committed to playing its part. This involves a comprehensive assault on the organizations and financing structures that underpin terrorism.

The European Union will continue its close contacts with the countries of the region and other partners.

The Central and Eastern European countries associated with the European Union, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and the Czech Republic, the associated countries Cyprus, Malta and Turkey, and Iceland, Liechtenstein and Norway, the European Free Trade Association countries members of the European Economic Area, align themselves with the present statement.

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Letter dated 8 October 2001 from the Permanent Representative of Belgium to the United Nations addressed to the Secretary-General

I have the honour to draw your attention to the conclusions of the General Affairs Council of the European Union issued on 8 October 2001, on behalf of the European Union, on action by the European Union following the attacks in the United States (see annex).

I should be grateful if you could arrange for the text of this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jean **De Ruyt**
Permanent Representative

01-58026 (E) 151001 151001

Annex to the letter dated 8 October 2001 from the Permanent Representative of Belgium to the United Nations addressed to the Secretary-General

Conclusions of the General Affairs Council of the European Union issued on 8 October 2001, on behalf of the European Union, on action by the European Union following the attacks in the United States

1. The Council reaffirms the determination of the European Union and its Member States to play their full part, in a coordinated manner, in the global coalition against terrorism, under United Nations aegis. Terrorism is a real challenge for Europe and the world and poses a threat to our security and our stability.

2. The Union will continue to strengthen its partnership with the United States on the basis of enhanced cooperation and consultation, in accordance with the joint Ministerial Statement of 20 September and in the light of the recent talks held by the President of the European Council and the President of the Commission in Washington on 28 September.

3. The Union has taken a number of initiatives to extend the anti-terrorist coalition and to make it effective. It stresses the importance of its relations with its Arab and Muslim partners. Between 24 and 28 September the troika visited Pakistan, the Islamic Republic of Iran, Saudi Arabia, the Syrian Arab Republic and Egypt, where it also held talks with the leaders of the League of Arab States in order to emphasize, in particular, that the European Union categorically rejects any equation of groups of fanatical terrorists with the Arab and Muslim world. Individual talks were held with the Russian Federation at the European Union-Russian Federation Summit on 3 October in Brussels. Following the adoption of the Joint Statement at that Summit, the Council emphasizes the need to intensify and strengthen the dialogue with Russia, particularly in the area of combating terrorism.

4. The Council welcomes the adoption of resolution 1373 (2001) by the United Nations Security Council and the establishment of the Committee provided for in that resolution. It recalls that the Union and its Member States have committed themselves to the swift adoption of the measures necessary for its full implementation.

5. The Council reiterates the Union's determination to attack the sources which fund terrorism, in close cooperation with the United States. It notes that the Commission is taking the necessary measures to freeze the assets of the persons identified by the Sanctions Committee set up under Security Council resolution 1267 (1999).

6. The Union will continue its close contacts with its partners in the Barcelona Process, notably at the ministerial meeting on 6 November, and with the Gulf countries. It will support the intention of the African partners to draw up a draft initiative against terrorism at the European Union-Africa ministerial meeting on 11 October. A ministerial-level meeting of the European Conference will be held on 20 October to discuss the fight against terrorism. It will provide an opportunity for greater involvement of the candidate countries and for inviting the Russian Federation, Ukraine and the Republic of Moldova for the first time, as "special

guests". The United Nations, notably the fifty-sixth session of the General Assembly, will provide a key forum for pursuing the objectives of the Union.

7. Afghanistan:

- The Council adopted a separate declaration following the riposte in Afghanistan;
- The Union and its Member States will do everything possible to prevent a humanitarian tragedy in Afghanistan and in the adjacent countries. This must be done in close cooperation with the Office of the United Nations High Commissioner for Refugees (UNHCR) and other specialized agencies, the International Committee of the Red Cross (ICRC), the United States, the adjacent countries and other partners within multilateral organizations. In this regard, the Council welcomes the first measures taken by the Commission to assist the refugees, and asks it to submit new ones without delay;
- The European Union stands ready to back, when the time comes, a political process initiated in Afghanistan with United Nations support, and to contribute to the rebuilding, modernization, development and opening up of that country.

8. The Council agreed on the following guidelines:

- The Union and its Member States will act within a multilateral and bilateral framework to promote the signing, ratification and swift implementation of all existing international agreements on the fight against terrorism, as well as the finalization of negotiations on the draft Global Convention on Terrorism;
- In order to carry out a systematic assessment of the Union's relations with third countries in the light of their possible support for terrorism, a reference framework will be drawn up. In this connection, the Council notes that the Commission intends to submit to it in due course proposals concerning relations conducted within the framework of the Community;
- In the present circumstances, the Union's relations with certain countries must be re-examined:
  - The dialogue with Pakistan, which was initiated thanks to the troika mission, will be continued and developed. Furthermore, the Council invites the Commission to examine ways of reinforcing Community assistance to Islamabad, in particular by contemplating the signing of a third-generation cooperation agreement with Pakistan;
  - Consultations with Islamic Republic of Iran will be stepped up with a view to the negotiation of a trade and cooperation agreement with that country;
  - With a view to the second European Union-India Summit, the European Union will define how cooperation with India is to be strengthened;
  - The Union must also strengthen its involvement and its relations with the countries of Central Asia. The Council calls on its competent bodies and on the Commission to submit proposals to it to that end. The Union will make a substantial contribution to the Bichkek Conference on 13 and 14 December, which will be discussing the fight against terrorism.

9. The Union reaffirms its support of non-proliferation and disarmament, and its desire to continue the efforts already underway to prevent and stabilize regional conflicts.

10. The Council reaffirms the need to return to a genuine political process in order to resolve the conflict in the Middle East. It reiterates its commitment in that respect and asks the High Representative to continue his work.

11. The General Affairs Council will examine the progress made at its next meeting.

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Report by the Secretary-General concerning the credentials of the alternative representative of the United States of America on the Security Council

Pursuant to rule 15 of the provisional rules of procedure of the Security Council, the Secretary-General wishes to report that he has received a note verbale dated 15 October 2001 from the Permanent Representative of the United States of America to the United Nations stating that Mr. Charles N. Rostov has been appointed alternate representative of the United States of America on the Security Council.

In the opinion of the Secretary-General, that communication constitutes adequate provisional credentials.

01-58262 (E) 161001